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REPORT

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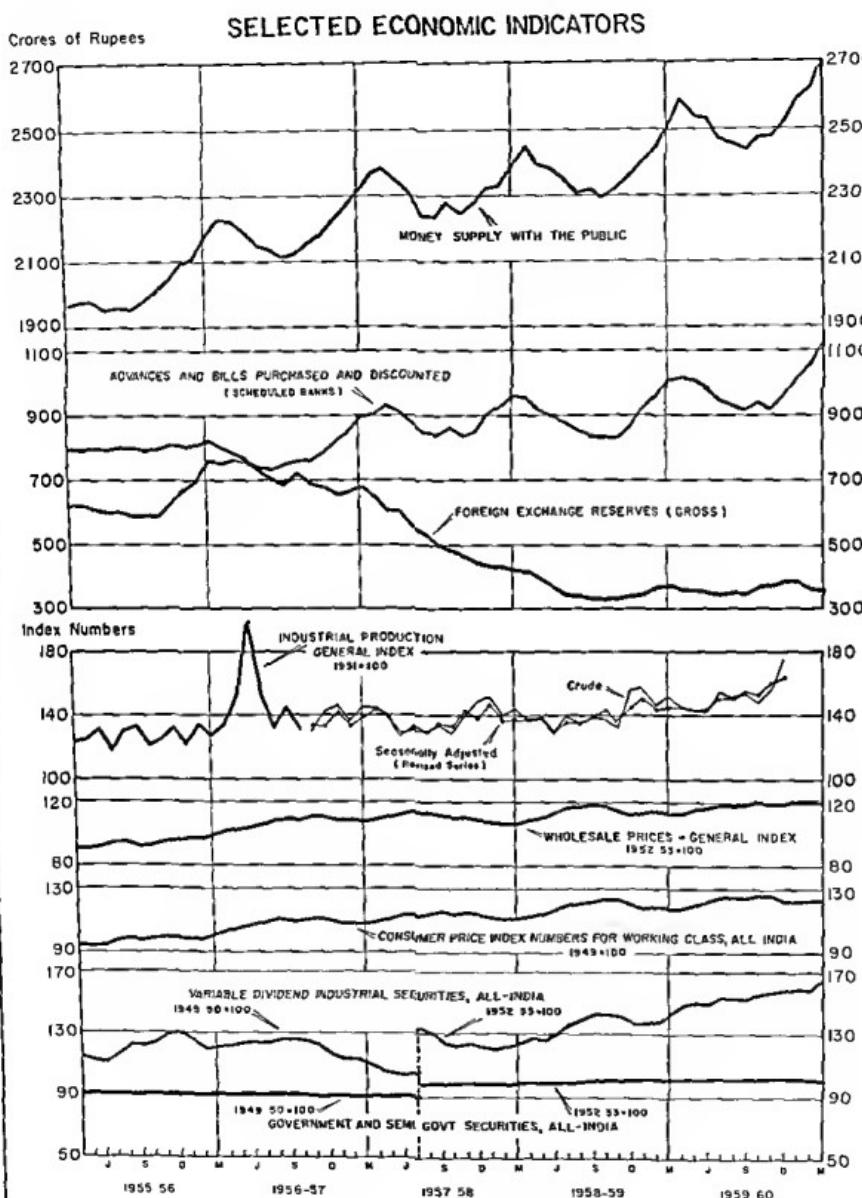
CURRENCY AND FINANCE

FOR THE YEAR

1959-60

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INTRODUCTION

General.—During 1959-60, the penultimate year of the Second Five Year Plan, the economic situation in India presented a mixed picture of progress and stress. The outstanding feature of the year was a marked recovery in the rate of growth of industrial output which had slowed down in the previous two years. The improvement in the balance of payments position, noticed since the end of 1958, was sustained during 1959-60, aided by the continuing import curbs, large-scale foreign aid and somewhat better export performance. The overall investment in the economy seems to have recorded a modest rise during the year. Agricultural production, which in the 1958-59 season had touched a record level, is estimated to show some reduction in the year under review, mainly under commercial crops, and partly under food-grains. The volume of internal trade was larger as evidenced by the rise of about 6.5 per cent in the number of wagons loaded during 1959-60 as compared to 1958-59. The somewhat disquieting aspect of the situation was the further rise that occurred in the general price level in spite of two successive good crop years and the substantial rise in the rate of industrial production — a situation which indicated the low margins on which the economy has been operating. In this context, the year was characterised by growing pressure for salary and wage increases, which were met in part by Government and industry. The year was also marked by rather significant expansionary trends in the monetary sphere, with a marked rise in both money supply with the public and bank credit. The continuing high degree of liquidity in the economy was at the same time reflected in what seemed to be a somewhat unhealthy boom in the stock and capital markets. It was apparent that, of late, monetary factors — the effect of which accumulates over a period — have contributed in some measure to an increase in aggregate demand and thereby to the pressure on prices. All this underlined the imperative need for the maximum mobilisation of non-inflationary sources of finance on the one hand and economy in expenditure in the public as well as private sectors on the other, and, to that end, a further reinforcement of monetary and fiscal discipline so as to secure a sustained rate of economic growth consistent with stability.

The pace of industrial growth, which had slowed down in 1957 and 1958, showed a marked rise in 1959, reaching close to that attained in 1955 and 1956. The rate of increase of the general index of industrial production (at 151.1) was 8.2 per cent in 1959, as compared to 1.7 per cent in 1958, 3.5 per cent in 1957 and 7.8 per cent in the period 1954-56. Indicating the growing tempo of industrial activity, the consumption of electricity — two-thirds of which is by industrial establishments — was higher in 1959 by 18 per cent than in 1958. The rise in industrial production during 1959, resulting from both a fuller utilization of the existing capacity and the going into production of some of the recently established new units was aided by larger availability of imported essential raw materials, a revival in demand, internal as well as external, for some of the major industrial products,

and a marked improvement in the labour situation. Industry, however, continued to be faced with the problem of costs arising partly from the rising prices of raw materials and the widespread demand for higher wages. The employment situation also continued to cause concern, as the growth of employment has been insufficient as compared to the increase in the numbers seeking employment.

The overall investment in the economy would appear to have shown a small rise during 1959-60, both under the public and private sectors. The increase in cement consumption by 18 per cent and some increase in the availability of steel, point to an increase in investment effort in the year under review. Plan outlay in the public sector is estimated to have risen by only about Rs 10 crores to Rs 1,006 crores, no breakdown of this being available as between investment outlay and 'current' outlay. Deficit financing, however, recorded a further decline to Rs 113 crores (provisional estimate) as compared to Rs 139 crores in 1958-59 and Rs 496 crores in 1957-58.

Private investment activity in organised industry, which had slowed down in 1958, would appear to have shown some improvement in 1959, despite continued import curbs. Corporate profits also were generally higher in 1959 as compared to the previous year. Apart from the protective effect of continued import curbs and the growth prospects of several industries, and the various measures adopted by Government to assist industry, investors' confidence was further aided by the absence of any significant increase in taxation since the 1957-58 budget. There was a spate of new capital issues many of which were heavily oversubscribed, and the boom in the share markets, noticed since the beginning of 1958, gathered further momentum, the upswing becoming more pronounced after the presentation of the 1960-61 budget. The new credit restraint measures, announced by the Reserve Bank towards the close of the year, which *inter alia* prohibited banks from directly financing *buddla* transactions and also restricted advances against shares, had only a temporary bearish effect on market sentiment. Over the year, the Reserve Bank's index of variable dividend industrial securities rose by 10 per cent, which followed a rise of 16 per cent in the preceding year. The gilt-edged also kept generally firm during the greater part of the year. Aggregate market borrowings of the Centre and the States amounted to Rs. 175 crores in 1959-60 as compared to Rs 227 crores in 1958-59. As in the previous year, the Centre's borrowing was helped to an extent by the accrual of P L 480 funds to the State Bank which were invested in Government securities. The net absorption of Government securities by the public (*i.e.*, after taking into account the Reserve Bank's transactions in Government securities with the public) amounted to Rs 143 crores as compared to Rs 195 crores in 1958-59. The performance of small savings was somewhat below expectations, the net receipts during 1959-60 amounted to Rs 84 crores as compared to the year's target of Rs 85 crores and realisation of Rs 80 crores in 1958-59.

India's external payments position recorded some improvement, particularly in the latter half of the year. In fact, for the first time since the commencement of the Second Five Year Plan, the current account revealed a modest surplus in the quarter October-December 1959. For 1959-60 as a whole, the drain on foreign exchange reserves was Rs. 16 crores and, if the special payments connected with transactions

with the I.M.F are excluded, the reserves would show a rise of Rs. 26 crores, as compared to the drain of Rs. 199 crores in 1956-57, Rs 294 crores in 1957-58 and Rs. 42 crores in 1958-59.

The year witnessed a further set-back of the price level. The general index of wholesale prices (1952-53 = 100) recorded a net rise of 5.7 per cent during 1959-60 on top of a rise of 6.6 per cent in the preceding year. In the price rise which took place during the year, 'Industrial Raw Materials' and 'Manufactures' emerged as important contributory groups, unlike in the past few years when the 'Food Articles' group had accounted for the most part of price changes. This was in part due to the significant decline in the output of industrial raw materials, especially fibres, which had also an upward effect on the prices of fibre manufactures, but perhaps this was also an indication that inflationary forces have begun to permeate in the economy. As in the preceding years, Government continued to make efforts towards holding the price line through a series of measures designed to ease the supply position of foodgrains and essential raw materials and at the same time to restrain speculative demand. Monetary policy was also reinforced towards this end.

In the monetary sphere, the net expansion in both money supply and bank credit was substantially larger than in 1958-59. The rate of expansion of money supply was of the order of 8.1 per cent as compared to 4.6 per cent and 3.3 per cent, respectively in the preceding two years. Likewise, the rate of expansion in scheduled bank credit rose from 5.3 per cent in 1958-59 to 11.3 per cent, the larger expansion reflecting to a considerable extent the accelerated growth in deposit resources of banks, but there was also an increase in the marginal credit-deposit ratio. The slack season decline in both money supply and bank credit was much smaller than in the previous slack season; the busy season rise in bank credit was also slightly larger than the rise in the previous busy season, though the expansion in money supply was somewhat smaller.

It would appear that the expansion of money supply and bank credit during the year was somewhat excessive, even after taking into account the substantial recovery in industrial output and some increase in investment. Consequently, towards the close of the year, further credit restraint measures were announced by the Reserve Bank, including the resort, for the first time, to the instrument of variable reserve requirements to reinforce the selective controls already in operation. The Bank continued to operate the existing selective controls in respect of foodgrains, sugar and groundnuts with suitable modifications and also brought within the purview of these controls, all other oilseeds (except cottonseed) in December 1959. Towards the close of the year, on March 11, 1960, in order to meet the situation arising from the marked expansion in money supply and bank credit and their impact on the general price level, the Bank announced a series of further credit restraint measures which comprised (i) the impounding with the Reserve Bank, in the form of additional deposits, of 25 per cent of any additions to the demand and time liabilities of scheduled banks after March 11, 1960, over and above the deposits hitherto required, (ii), 5 per cent of demand liabilities and 2 per cent of time liabilities, (iii) the imposition of a minimum margin of 50 per cent in respect of advances by scheduled banks against shares other than preference shares, (iv) a ban on direct financing of *budla* transactions by

scheduled banks through purchase of shares in their name for the current settlement and sale for the next settlement and (iv) fixing a ceiling on the clean advances of scheduled banks (for details see Chapter IV), these measures have been further reinforced since May 5, 1960, when the Bank raised the quantum of additional deposits which scheduled banks are required to maintain with the Bank from 25 per cent to 50 per cent, effective May 6, 1960. The Bank's open market operations also continued to be employed during the year to siphon off the excess purchasing power in the economy.

During the year, further progress was made in the direction of promoting the growth of banking facilities and rural credit and of further strengthening the institutional machinery for industrial finance. The State Bank completed in June 1960 the target set for it in its statute in 1955 for the establishment of 400 additional branches, within a period of 5 years. As regards the scheme initiated on October 1, 1958 for the extension, to export bills, of the credit facilities under the Bill Market Scheme, on an experimental basis for a year, it was decided to continue these facilities for a further year upto end-September 1960. The financial assistance provided by the Reserve Bank to the co-operative sector continued to expand during the year. As regards the institutional machinery for industrial finance, one more State financial corporation was set up during the year; there are now financial corporations in all the States. The various special financial institutions including the I F C and the I C I C I , already established in the previous years, continued to make progress. The development of small-scale industries also continued to receive special attention, a noteworthy development in this sphere was the formulation by the Government of India, in consultation with the Reserve Bank, of a Guarantee Scheme for loans to small-scale industrial units.

The following chapters contain a detailed review of the various aspects of the Indian economy during 1959-60. A brief review of the economic and monetary developments abroad during 1959 is attempted in the paragraphs below, as a background to the domestic trends and developments

Economic Developments Abroad

The world economic scene in 1959 presented a robust outlook, with a notable recovery in both trade and industrial production and a further progress in the direction of freer trade and payments. World trade, which had declined in 1958, underwent a marked expansion in 1959, mainly in the trade between manufacturing countries. There was a sizeable increase in exports from the West European countries to the U S A., which enabled many of them to strengthen their payments position and take measures to further liberalise dollar imports. Reflecting mainly the lesser dependence of European countries on U.S. supplies and the relative decline in U.S. competitiveness, the U.S. balance of payments position showed for the second year in succession a large deficit, although in the second half of 1959, U.S. exports rose faster than imports, gold losses during the year, were considerably less, mainly because of the higher level of U.S. short-term interest rates. In the U.S.A., where the revival from the 1957-58 recession level had started about mid-1958, 1959 was

a year of strong advance, although interrupted by the steel strike — the longest on record. In many European countries, the rate of industrial growth was substantially higher than in 1958, aided, among other things, by the lower level of interest rates. The general upswing in economic activity in most countries was accompanied by a strong demand for bank credit from the private sector of the economy, mainly for inventory accumulation, house building and, in many cases, purchases of durable consumer goods. In the U.S., where the policy of credit restraint, initiated in September 1958, was continued during the year, and in the U.K., where no change in Bank rate was made through 1959, the increased demand for bank credit was partly met by selling investments. On the other hand, the situation in other major countries, where a policy of ease was pursued during the greater part of the year, was characterised by a high degree of liquidity, and it was not until late in the year, when expansion in credit seemed to go too far, that the authorities shifted to a policy of restraint.

Industrial output expanded rapidly in most of the leading countries, a major factor contributing to this being consumption demand. In the U.S.A., the recovery of industrial output, which had started in mid-1958, gathered strength in the first half of 1959, mainly under the stimulus of the accelerated tempo of inventory accumulation and, although, with the commencement of the prolonged steel strike which lasted from mid-July to early November, output fell off, it recovered swiftly to within 3 points of the pre-strike high by the end of the year. Over the year, industrial production rose by 13 per cent in contrast to a decline of 7.3 per cent in 1958. In the U.K., industrial production, which had declined by about 1 per cent in 1958, rose by 5.3 per cent in 1959, the increase resulting mainly from higher domestic consumption and exports. In Western Germany also, industrial output, which had risen by 5.8 per cent in 1957 and 3.4 per cent in 1958, expanded by 7 per cent in 1959. In Italy, industrial production increased by 11 per cent in 1959 as compared to 2.8 per cent in 1958. In France, the rise in 1959 was slightly higher (4.6 per cent) than in 1958 (3.4 per cent). In Canada, the post-recession recovery in industrial production, which had begun at the end of 1958, gained momentum and for the year as a whole, there was a rise of 7.6 per cent, as against a decline of 1.7 per cent in 1958. In Japan, where there was only a mild recession in 1958, the expansion in industrial output in 1959 was striking, the year recording a rise of 23.8 per cent as compared to only 0.6 per cent in 1958. In India too, industrial production witnessed a marked rise of 8.2 per cent as compared to 1.7 per cent in 1958 and 3.5 per cent in 1957.

Despite the prevalence of boom conditions, the general price level in most countries remained fairly stable or recorded only a moderate increase in 1959. The marked revival of industrial growth, no doubt, led to some increases in raw material prices. In the U.S.A., the upward pressure exerted by the strongly rising demand and some cost increases was counteracted by the expansion in output facilitated by the prevalence of ample capacity in most lines and in certain instances by the force of foreign competition. The index of wholesale prices (*base* = 1953 = 100) remained stable around the December 1958 level of 108. In Canada too, the index of wholesale prices showed no net change over the year. In the U.K., prices of industrial input recorded a rise of 2 per cent, while prices of industrial output remained stable. On the other hand, in France, wholesale prices registered a rise of 7.4 per cent, due partly

to higher import costs and partly to the abolition of a number of price-reducing devices at the end of 1958. In Japan also, the general price level recorded a rise of 4.1 per cent which represented a reversal of the downtrend noticed in the previous two years when it had shown an aggregate decline of 9.3 per cent. In India too, the rise in prices noticed in 1958 became somewhat more pronounced in 1959, the percentage increase being 6.7 per cent as compared to 3.9 per cent in the previous year. Consumer prices in most countries continued to rise during 1959, although the rate of increase slowed down further. In the U.S.A., the rise was 1.9 per cent—the same as in 1958; while food prices dipped somewhat, those of services and non-durables other than food recorded increases. In the U.K., living costs which had risen by 1.7 per cent in 1958, showed no net change in 1959. In Japan, the rise in living costs in 1959 (0.9 per cent) was smaller than in 1958 (2.8 per cent). In India too, the rise in cost of living index was smaller than in 1958, the increase amounting to 2.7 per cent as compared to the previous year's rise of 5.7 per cent.

Prices of internationally-traded commodities suffered a further net fall during 1959. Moody's index (*base December 31, 1931 = 100*) of world commodity prices moved up initially from 389.2 at the end of 1958 to 391.0 in March 1959, aided mainly by seasonal factors, but thereafter it declined to 375.8 by the end of 1959 showing a net decline over the year of 3.5 per cent, which, though larger than that in 1958 (0.6 per cent), was much less pronounced than that in 1957 (11 per cent). The year's decline in commodity prices was mainly due to the weakness of food prices. Prices of raw materials benefited somewhat from the renewal of industrial growth, although an increase in them was restrained as supplies responded quickly to the growth in demand, partly as producers released their stocks built up earlier during the recession. Commodity-wise, prices of metals, rubber and fibres recorded increases, while those of sugar, cocoa and mineral oil showed declines. Prices of metals ruled firm in the wake of strong consumption demand. Lead prices, however, remained generally depressed, reflecting partly the continuing excess of world supplies over demand. Among fibres, wool prices rose following a recovery in world consumption, although they levelled off after the turn of the year. Cotton prices also benefited from the rising international consumption of cotton. The price of natural rubber advanced rapidly, with consumption continuing to outrun supplies. Sugar and cocoa prices declined under the impact of large supplies.

In the field of international trade, 1959 was a year of recovery from the 1958 recession level. U.S. merchandise imports continued to swell during the year and were \$2.4 billion higher than in 1958, reflecting partly the higher level of domestic economic activity and the increased foreign competition to U.S. goods in the home market. On the other hand, U.S. exports, which had declined sharply in 1958, fell further in the first half of 1959, although there was a marked recovery in the second half, and for the year as a whole, exports were near to their 1958 level of \$16.2 billion. The U.S. had a *deficit* on current account (excluding military transfers) of \$0.1 billion compared to a *surplus* of \$2.3 billion in 1958. On capital account, the outflow of U.S. private capital amounted to \$2.1 billion, which was smaller than that in 1958 by about \$0.7 billion. As against an overall deficit of \$3.2 billion (excluding transfers to international agencies) in 1958, the United States had an overall deficit of \$3.8

billion in 1959, of which only \$1.1 billion was met by the outflow of gold (as compared to \$2.3 billion in 1958) which brought down the gold stocks of the U.S.A. from \$20.6 billion at the end of 1958 to \$19.5 billion. The reduced gold outflow was partly due to the relatively higher interest rates prevailing in the United States, which made it attractive for foreigners to invest their currently-earned dollars in dollar securities rather than convert them into gold. The net efflux of gold was also partly reduced following the IMF's decision in the last quarter of 1959 to switch-over part of its investment in gold into dollar securities. In the first half of 1960, the outflow of gold was comparatively of negligible proportions, the U.S. gold stock as at end-June 1960 standing at \$19.3 billion. In spite of the continued deterioration of its payments position, the United States did not resort to restrictionist policies during 1959, barring the mandatory imposition of quotas on petroleum imports announced in March 1959. It has, however, strengthened its "buy American" approach as is evident in its new policy of tying up D.L.F. (Development Loan Fund) loans to purchases in the United States. The gold and liquid dollar holdings of countries other than the United States and international financial institutions rose in 1959 by some \$3.2 billion, three-fourths of the increase (about \$2.4 billion) being accounted for by Western Europe; this would have been much larger but for substantial advance repayments of debts by some countries to the I.M.F. and to the U.S.

France's foreign exchange reserves rose from \$1.1 billion at the end of 1958 to \$1.7 billion at the end of 1959, not taking into account the various special payments totalling about \$850 million which the French authorities made during 1959, including the repayment of \$200 million to the IMF. The reserves rose further in the early months of 1960 and, by the end of April 1960, reached the \$1.9 billion level. Germany's reserves, however, declined over the year by DM 2.1 billion (in contrast to a rise of DM 3.2 billion in 1958), due mainly to the advance debt repayments to the U.S. and the U.K. totalling DM 0.9 billion and the payment of DM 0.5 billion in connection with the increase in Germany's quota in the IMF and IBRD.

The Sterling Area's gold and convertible currency reserves, after rising from £1,096 million at the end of 1958 to a record level of £1,173 million at the end of September 1959, declined to £977 million at the end of December. The net decline over the year amounted to £119 million, which contrasted with a net rise of £284 million in 1958. However, if allowance is made for the non-recurrent capital payments* made during 1959, the reserves would, in fact, show a rise. In the first half of 1960, due mainly to seasonal factors and the credit restrictions in the U.K., the Sterling Area's reserves tended to rise, reaching £1,033 million at the end of June 1960. The U.K.'s current account surplus declined from £349 million in 1958 to £145 million in 1959, mainly due to a rapid rise in imports, consequent on increased production and inventory accumulation. Almost the whole of the deterioration occurred in respect of the Rest of the Sterling Area, exports to which did not increase till the end of 1959, the U.K.'s surplus with the Rest of the Sterling Area countries

* The repurchase of £71 million from the IMF in March, the additional gold subscription of £58 million to the IMF in May and the advance repayment of £89 million loan from the Export Import Bank of Washington in October.

declined sharply from £427 million in 1958 to £219 million in 1959. The current account balance with the non-sterling world remained more or less unchanged, though at a higher level of trade. With North America, there was a surplus of £143 million, after crediting net invisible payments of £154 million. The U.K.'s total invisible receipts were lower by £48 million during 1959 partly as a result of reduced overseas earnings from oil. The U.K.'s basic payments position remained strong as evidenced by the marked resilience of sterling in the international exchange markets throughout 1959.

Among the primary-producing countries of Latin America, the balance of payments position of some, notably Mexico and Chile, showed a marked recovery in 1959 because of the increased world demand for copper, their gold and foreign exchange reserves recorded substantial gains during the year, while that of Brazil, Cuba and Venezuela showed a further deterioration due to increased imports. Among Asian countries, with the notable exception of Japan, the payments position of other countries, including India, continued to be generally weak, due to the static level of their export earnings and the increasing volume (at rising prices) of developmental imports. In these countries, the foreign exchange reserves were sustained principally by the continued inflow of foreign aid, both grants and loans.

The improvement in international liquidity resulting partly from the large transfers of gold and dollars by the U.S.A. and West Germany to the rest of the world, coupled with the enlargement of the resources of the I.M.F., enabled a number of countries to move further in the direction of full convertibility, a process initiated towards the close of 1958. Restrictions on dollar goods were consequently either eased progressively or eliminated altogether. Restrictions on capital transfers were also greatly eased in several industrial countries, with the result that the flow of funds between important financial centres has now attained a measure of freedom under which even fractional changes in the rediscount rates lead to perceptible effects.

In many cases, however, tariff barriers still remained a major hindrance to further trade expansion, in particular, the formation of the European Common Market and European Free Trade Association in Europe, the agreement signed in Montevideo at the end of February 1960 for the creation of a free trade area for Latin America, and the proposals for the establishment of regional markets for Africa and S.E. Asia, with preferential tariff arrangements, have all caused some misgivings. In this context, the approval in May 1959 by the Contracting Parties to the GATT of the proposal for sponsoring a new round of multilateral tariff negotiations is to be welcomed, the Tariff Congress is scheduled to be held in September 1960.

An important development in the field of international economic co-operation was the decision taken to establish an International Development Association (IDA) as an offshoot of the IBRD. The object of the IDA "is to promote economic development, increase productivity and thus raise standards of living in the less developed areas of the world included within the Association's membership, in particular by providing finance to meet their important developmental requirements on terms which are more flexible and bear less heavily on the balance of payments than those

of conventional loans". The IDA would be permitted to make longer-term loans and also loans in local currency which need not strictly be subject to the qualification "bankable" as in the case of IBRD loans. The initial capital of \$1,000 million would be subscribed roughly in proportion to subscriptions to the IBRD. Ten per cent of the initial subscription would be payable in gold or in freely convertible currencies, the remainder being payable in five equal instalments in gold or freely convertible currencies by seventeen industrialised countries, and in national currencies by the less industrialised countries; subscriptions in national currencies would not, however, be used to finance exports from the country concerned without its consent. The IDA would be able to enlarge its resources through increased subscription and through transfers of balances held by member countries such as the U.S.A. and other countries. These would be regarded as supplementary resources not counting for any voting rights.

In the monetary sphere, except notably in the U.S., where the policy of restraint initiated in September 1958 was continued, the policy of active ease adopted in several countries during 1958 continued to be pursued during the major part of 1959 and it was only later in the year when the upswing in economic expansion showed signs of becoming excessive that the authorities shifted to a policy of restraint. In general, there was evidence of a greater degree of flexibility in the pursuit of monetary policies in line with the changing conditions than in the previous year. A factor contributing to this flexibility was the recent moves by several countries in the direction of full convertibility, which rendered their external payments position highly sensitive to domestic economic conditions.

During the first four months of 1959, nine central banks, viz., those of West Germany, Belgium, France, Switzerland, Austria, Finland, Netherlands, South Africa and Japan, reduced their discount rates while only three, viz., those of U.S., Philippines and Pakistan, increased their rates. The West German bank rate was reduced in January 1959 from 3 per cent to 2.75 per cent — the lowest in its history — as part of a series of measures adopted since 1957 to reverse the exceptionally large inflow of foreign capital. In the same month, Belgium and Netherlands also lowered their bank rates to stem the increased capital inflow and its impact on internal liquidity, the former country by 0.25 per cent to 3.25 per cent and the latter by 0.25 per cent to 2.75 per cent. In Austria, a reduction by 0.50 per cent to 4.50 per cent was made in April. The Bank of France reduced its discount rate from 4.50 to 4.25 on February 5 and further to 4 per cent on April 23, 1959 to stimulate investment activity after the currency reform and the formation of the Common Market. The Bank also reduced by stages (i) the rate for advances against securities from 7 per cent to 5½ per cent and (ii) the penalty rates applicable to commercial banks for central bank credit above their individual rediscount ceilings from 7 per cent to 5 per cent for rediscounts exceeding the ceiling by less than 10 per cent, and from 10 per cent to 6 per cent for rediscounts exceeding the ceiling by more than 10 per cent. The South African Bank cut its discount rate from 4.50 per cent to 4 per cent on January 5, 1959 and also reduced in February the commercial banks' supplementary cash reserve requirements from 6 per cent to 4 per cent. To arrest the recessionary trends in their economies, the Finnish Bank rate was reduced in March 1959

from 6.50 to 6 per cent and the basic discount rate of the Bank of Japan from 7.30 per cent to 6.94 per cent in February 1959. Contrary to this general trend during this part of the year, Philippines and Pakistan put up their bank rates in order to check inflation; the former also raised on February 2, 1959 the reserve requirements on demand deposits from 18 per cent to 21 per cent, the increase being phased over a period of 2 months. The U.S. discount rate, which had stood at 2½ per cent at end-1958, was also raised to 3 per cent in March 1959 with a view to checking potential inflationary pressures.

The second phase of monetary policy, which was one of active restraint designed to hold excessive expansion in check, became more pronounced and widespread later in the year. As many as 17 countries raised their bank rates by March 1960; the other weapons of credit control were also widely employed in this period. In the U.S.A., the discount rate of the Federal Reserve Banks, which had been raised to 3 per cent in March 1959, was further raised to 3½ per cent in May (*i.e.*, before the steel strike) when the pace of business activity was quickening and bank credit was undergoing a rapid rise, the rate was further raised by another ¼ per cent to 4 per cent in September in line with the sharp rise in money rates. Canada's flexible discount rate* also rose from 3.74 per cent at the end of 1958 to an all-time peak of 6.41 per cent during mid-August 1959 and stood at the year-end at 5.37 per cent. In the U.K., the Governor of the Bank of England warned bankers during November 1959 that the growth in bank credit needed "watching if it should continue much longer at the same pace" and followed this up by an upward revision in the Bank rate from 4 to 5 per cent in January 1960, this being the first increase after a series of five reductions commencing from March 1958 from the 'crisis' rate of 7 per cent attained in September 1957. In Western Germany, the discount rate was raised in two stages from 2½ per cent to 4 per cent, first in September by 0.25 per cent and again in the following month by one per cent. The minimum reserve requirements of commercial banks were raised by stages during the period November 1, 1959 to March 1, 1960 from a range of 5-13 per cent to one of 7-18.2 per cent. An undesirable side-effect of this policy of credit restraint was the inflow of 'hot' money from abroad, to counter which any increase in foreign-owned sight, time and savings deposits after end-November 1959 was subjected to the maximum reserve requirements of 30, 20 and 10 per cent respectively, effective January 1, 1960. The Belgian bank rate was raised from 3.25 per cent to 4 per cent on December 23, 1959, partly to stem the drain on reserves and partly to bring the Bank rate in line with those in the neighbouring countries.

The raising of the Netherlands and Swedish Bank rates by ¾ per cent and ½ per cent in November 1959 and January 1960, respectively, was dictated by the need to curb excessive credit expansion and to protect the foreign reserves. Simultaneously with the raising of the Bank rate, the Swedish Central Bank also increased the minimum liquidity ratios of commercial banks by 5 percentage points. The Danish Bank rate was raised from 4½ per cent to 5 per cent, effective September 19,

* In Canada, the discount rate fluctuates with the average weekly Treasury bill tender rate in accordance with the policy adopted by the Bank of Canada since November 1956.

1959 as a warning signal in the wake of an accelerated pace of economic activity, particularly in the building trade; the rate was further raised to 5.50 in January 1960. In Spain, the Bank rate was raised in August 1959 from 5 per cent to 6.25 per cent, to counter the anticipated inflationary impact of the devaluation of the Spanish peseta by 43 per cent. The Central Bank of Japan imposed, for the first time, statutory reserve requirements on banks, effective September 11, 1959. The minimum reserves were fixed at 1.5 per cent of demand deposits and 0.5 per cent of time deposits for banks with deposits exceeding 20 billion yen; the smaller banks were to maintain minimum reserves of 0.75 per cent of demand deposits and 0.25 per cent of time deposits. In December, as a precautionary measure against resurgence of inflationary conditions, the Bank of Japan also restored its basic discount rate from 6.94 per cent to the February 1959 level of 7.30 per cent. In Australia, with a view to absorbing the excess liquidity of the banking system, the trading banks were called upon to deposit £A15 million into the Trading Banks' Special Accounts on October 30 and another £A20 million on December 1, 1959. Further, effective February 10, 1960, the statutory reserve requirements (which replaced the 'Special Accounts' system under the provisions of the new banking legislation which came into force on January 14, 1960) were increased by 1 per cent to 17.5 per cent. In Finland, effective January 1, the upper limit of bills, which the commercial banks were permitted to rediscount with the Central Bank without paying interest at the penalty rate, was reduced from 60 per cent to 30 per cent of the banks' own funds. In terms of the Central Bank of Nigeria Ordinance 1958, minimum reserve requirements were introduced in Nigeria, each bank operating in Nigeria was required to hold, as from November 5, 1959, in Nigerian pounds or sterling, a minimum reserve of 25 per cent of its gross demand liabilities (due in Nigerian pounds) and 25 percent of its gross liabilities on account of time and savings deposits.

Notwithstanding the switchover by many countries during the later part of the year to a policy of credit restraint, commercial bank credit recorded substantial increases in most of the world's leading countries. In the U.S.A., bank credit expanded by as much as 14.0 per cent as compared to a rise of only 4.6 per cent in 1958; a large part of this credit extension was financed by sales of Government securities, leading to an upward pressure on money rates. In Canada also, the expansion in bank credit in 1959 was 13.5 per cent as against a negligible rise in 1958. In the U.K., the growth of credit was even more pronounced, reflecting the cumulative effect of the removal of all credit curbs and the introduction of personal loan facilities in 1958. Bank credit rose in the U.K. by as much as 32.5 per cent — the largest expansion in any post-war year — on top of a rise of 13 per cent in 1958. In West Germany, loans of commercial banks to business and private customers rose by 15 per cent as compared to 3.5 per cent in 1958. In France, the respective increases were 10.5 and 6.4 per cent. In India too, bank credit recorded a larger increase of 11 per cent as compared to a nominal rise of 1 per cent in 1958. As regards money supply, in the U.K., money supply rose faster than in 1958, the rate of rise increasing from 2.9 per cent to 3.8 per cent. In France, it rose from 5.8 per cent in 1958 to 12.3 per cent in 1959 and in India from 3.3 per cent to 7.2 per cent. In the U.S.A., however, the growth of money supply slowed down, the rise in 1959 being less than 1 per cent as compared to 3.8 per cent in 1958.

The budgetary policies were generally closely aligned to the monetary policies pursued in different countries. With the shift in monetary policy from ease to restraint, the accent in the fiscal policies of the leading industrial countries was on reducing the budgetary deficit or achieving a balanced budget by increasing taxes or reducing expenditure, the actual measures taken varying according to the special circumstances in individual countries. In some countries, special incentives were offered to promote personal savings. In the U.S.A., the Administration presented a balanced budget for 1959-60 (referred to in the last year's Report) in an effort to forestall the emergence of inflationary pressures. The budget for 1960-61 carried this policy a step further, providing for a surplus of \$4.2 billion — the largest for over a decade. The surplus was to be achieved largely through additional taxation. With a view to maintaining a high rate of personal savings, legislation was enacted in September 1959 to increase the maximum limit on the interest rate on small savings bonds to 4½ per cent from 3.26 per cent. It may be mentioned here that in carrying out public debt operations during the year, the U.S. Treasury were confronted with a special problem. The statutory interest ceiling of 4½ per cent on new Treasury issues maturing after five years ruled out the possibility of any issue of long-term securities by the Treasury on the current market terms and as the year progressed the Treasury found it necessary to rely exclusively on shorter maturities. Canada presented a balanced budget for 1960-61, although without any additional taxation. In the U.K., which in its budget for 1959-60 had made substantial tax concessions, the budget for 1960-61 provided for a net increase, though small, in taxation, as part of a policy of general restraint on undue expansion. At the same time, special incentives were also offered to small savers including (1) a more attractive prize scheme for premium bonds, (2) higher holding limits for premium bonds and National Savings Certificates and (3) a new issue of 5 per cent Defence Bonds, with a higher holding limit. Among the Continental European countries, Sweden went in for additional indirect taxes to cover the budgetary deficit in 1959-60. In Austria, the budget for 1960 provides for a considerably smaller deficit than for 1959, the deficit is to be covered by internal loan issues. In the 1960 budget of France, the emphasis in financing investment was on taxation rather than borrowing. Belgium's budget for 1960 provides for a much lower deficit than in 1959 largely through a cut in expenditure. In the Netherlands' budget for 1960, the deficit is placed substantially lower than in the preceding year; the reduction in deficit has been achieved by additional taxation and some curtailment of expenditure, mainly under consumer subsidies. In some primary-producing countries like Australia and New Zealand, however, the rise in export earnings and the improved balance of payments position enabled them to provide for some tax concessions in the budget for 1959-60. In New Zealand, as an inducement to small savers, the holding limits of interest-bearing deposits in Post Office savings banks were raised and business concerns were also declared eligible to become depositors.

II. PRODUCTION

Agricultural Production

Agricultural production, which had declined sharply during 1957-58, recorded a substantial rise in 1958-59, touching an all-time high. The index number of agricultural production (base Agricultural year ended June 1950 = 100), which had fallen from 123.6 in 1956-57 to 114.6 in 1957-58, rose to 131.0 in 1958-59, showing an increase of 14.3 per cent over the year. The increase was shared by both foodgrains and non-foodgrains; the rise was as much as 18.7 per cent in the case of foodgrains, the relative index advancing from 108.0 to 128.2; the index for non-foodgrains showed a comparatively smaller increase of 6.9 per cent. The Table below sets out the production of important agricultural commodities during the years 1957-58 and 1958-59.

Production of Agricultural Commodities

Commodities	Produc- tion in 1958-59	Produc- tion in 1957-58	Percentage variation in 1958-59 over 1957-58	Revised targets of production for the Second Plan Period
Foodgrains (Million tons)	73.5	62.5	+17.6	80.5
Sugar (Raw) (Million tons)	7.2	6.9	+4.2	7.8
Oilseeds (Million tons)	6.9	6.1	+14.3	7.6
Cotton (Lakh bales)	47.1	47.4	-0.7	65.0
Jute (Lakh bales)	51.6(a)	40.5	+27.4	55.0

(a) Based on 'partially revised' estimates

During 1959-60, agricultural production is estimated to show a reduction over the preceding year's record level, mainly under commercial crops, notably oilseeds, cotton and jute. Output of foodgrains is also estimated to be somewhat lower, owing mainly to unfavourable weather conditions in parts of the country. According to the final estimates for 1959-60, the production of rice, wheat, jowar and bajra shows a decline of 3.3 per cent, 0.4 per cent, 9.7 per cent and 8.0 per cent, respectively, over the previous year, and that of maize a rise of 6.9 per cent.

The following paragraphs review in some detail the trends in production of individual commodities.

(1) *Foodgrains*.—During 1958-59, foodgrains production reached a record level of 73.5 million tons which represented a substantial rise of 11.0 million tons

over 1957-58 and of 4.8 million tons over 1956-57. Well-distributed rainfall and generally favourable weather conditions over most parts of the country during both the kharif and rabi seasons, coupled with the Rabi Production Campaign launched in 1958-59, contributed to the sizeable increase in production during the year. The production of cereals went up by 8.3 million tons, rice alone accounting for an increase of 4.8 million tons, from 24.9 million tons to 29.7 million tons. In the case of pulses, the increase was of the order of 2.7 million tons.

The marked increase in foodgrains production in 1958-59, however, would not seem to have resulted in a commensurate rise in the flow of market supplies, particularly of rice and wheat. Market supplies of rice from the 1958-59 crop showed an increase in the surplus States, but in other States either the increase in output was not associated with an increase in market arrivals or there was actually a substantial deterioration in these arrivals. As for wheat, market arrivals suffered a set-back in Uttar Pradesh and Punjab. In Madhya Pradesh, there was, on the whole, some improvement in the flow of supplies, though not commensurate with the large increase in output. Foodgrains production in 1959-60, as already noticed, is estimated to be one or two million tons lower than the production in 1958-59.

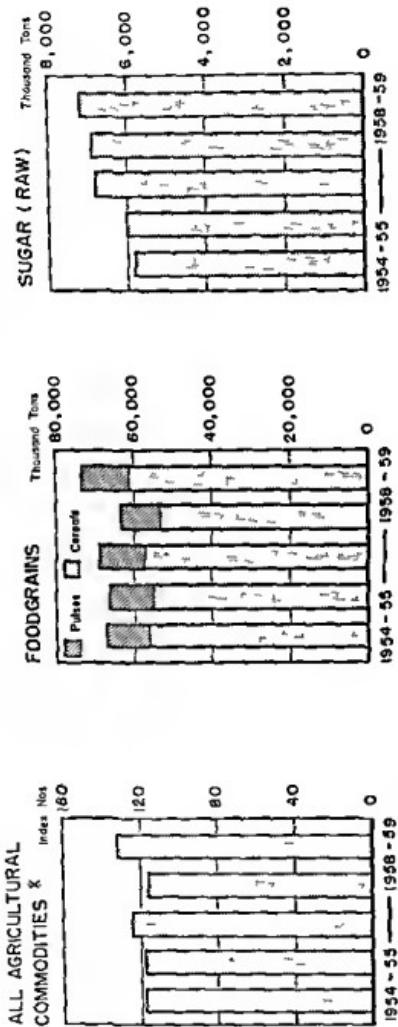
(2) *Other Agricultural Products* (a) *Cotton*—Production of cotton in 1958-59 registered a decline of 0.7 per cent from 47.39 lakh bales in 1957-58 to 47.05 lakh bales, due partly to a fall in acreage and partly to unfavourable climatic conditions during the growing period of the crop. The output in 1959-60 is expected to show a substantial decline in view of untimely and incessant rains in most of the cotton growing areas; production, according to unofficial estimates, is placed at 37 lakh bales as against 47 lakh bales in 1958-59. Mill consumption of Indian cotton, which had declined from 46.66 lakh bales in 1956-57 (September-August) to 44.33 lakh bales in 1957-58, recorded a rise to 46.16 lakh bales in 1958-59 as a result of improvement in the offtake of textiles, both domestic and foreign.

(b) *Jute*—The output of jute in 1958-59 rose to a record level of 51.58 lakh bales from 40.52 lakh bales in 1957-58. For 1959-60, the output is estimated to show a sharp decline to 45.48 lakh bales or 11.8 per cent, which is attributed partly to a fall in acreage following a marked decline in prices of raw jute during the 1958-59 season and partly to the damage caused by unfavourable weather conditions.

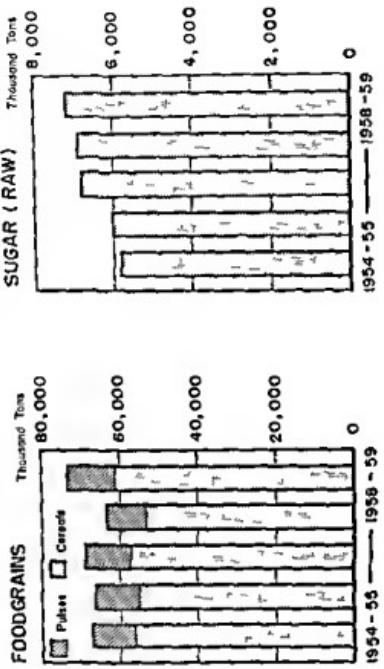
(c) *Oilseeds*.—The total production of major oilseeds (groundnut, rape and mustard, sesamum, linseed and castorseed) rose from 6.1 million tons in 1957-58 to 6.9 million tons in 1958-59 or by 14.3 per cent, due partly to an increase in area (except in the case of groundnuts, the area under which declined by 2.7 per cent to 14.5 million acres) and partly to the increased yield per acre as a result of better seasonal conditions during the growing period. As regards 1959-60, the production of groundnut, sesamum and castorseed, according to the final estimates, shows a decline of 8.8, 23.3 and 3.6 per cent, respectively, as compared with the previous year's partially revised estimates. Thus, the total production of major oilseeds during the year is expected to be less than that of the previous year.

PRODUCTION OF PRINCIPAL AGRICULTURAL COMMODITIES IN INDIA

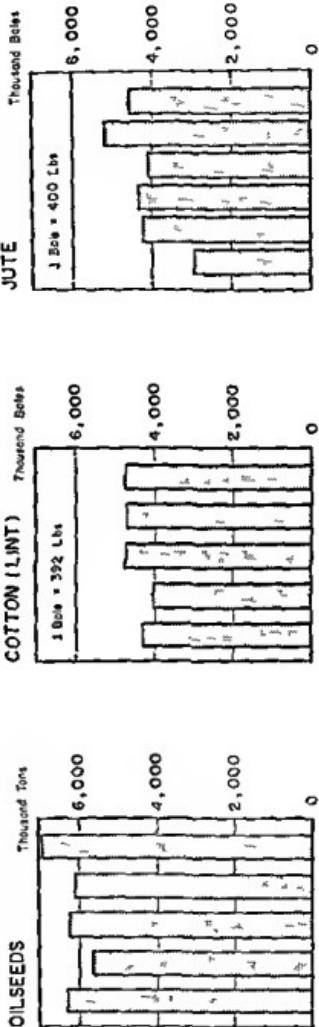
ALL AGRICULTURAL
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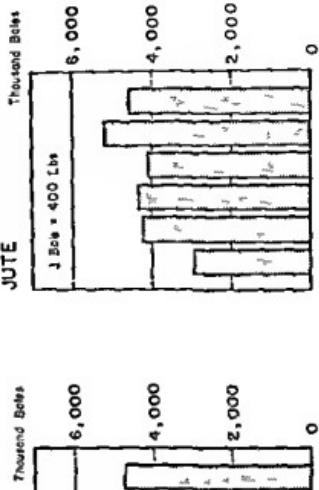
FOODGRAINS Thousand Tons



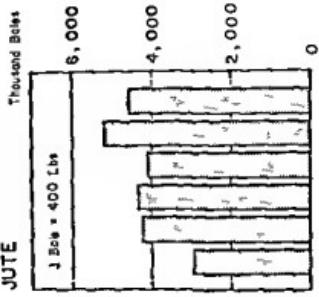
OILSEEDS Thousand Tons



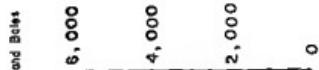
COTTON (LINT) Thousand Bales



JUTE Thousand Bales



SUGAR (RAW) Thousand Tons



* Base year 1949 - 50 = 100. The indices for 1957 - 58 and 1958 - 59 are generally based on "partially revised" estimates and "final" estimates respectively, and are, therefore, subject to revision.

(d) *Sugarcane*.—Production of sugarcane (in terms of gur) increased from 6.9 million tons in 1957-58 to 7.2 million tons in 1958-59 or by 4.2 per cent, due largely to increased yield per acre following favourable seasonal conditions during the growing period. For 1959-60, the all-India final estimate for sugarcane shows an increase of 6.6 per cent in production as compared with the partially revised estimate for 1958-59.

(e) *Tea*.—Production of tea in 1959, estimated at 708 million* lbs., recorded a slight fall of 1.1 per cent over the previous year's production of 716 million lbs. While production in North India increased by 2.2 million lbs. to 560.4 million lbs., production in South India declined by 10 million lbs. to 147.7 million* lbs. Exports of tea recorded a decline from 506 million lbs. in 1958 to 472.5 million lbs. in 1959, the decline being mainly accounted for by the U.K.

(f) *Tobacco*.—Production of tobacco increased from 2.37 lakh tons in 1957-58 to 2.63 lakh tons during 1958-59 or by 11 per cent, due partly to an increase in area and partly to favourable weather conditions during the growing period.

Industrial Production

The rate of growth of industrial production, which had slowed down in 1957 and 1958, showed a marked increase during 1959, reaching levels close to those attained in 1955 and 1956. For 1959 as a whole, the average general index (base: 1951 = 100) worked out to 151.1, or an increase of 8.2 per cent as compared to 1.7 per cent in 1958, 3.5 per cent in 1957 and 7.8 per cent in the three years 1954-56. The rise during the year is attributable to a number of factors, which included (i) larger supply of essential raw materials following some liberalisation of imports, (ii) a revival in demand, both domestic and foreign, which enabled a fuller utilisation of existing industrial capacity than in the previous year, (iii) the going into production of some of the new units established in recent years and (iv) an improvement in the labour situation as reflected in the sharp decline in the number of man-days lost on account of industrial disputes from 69.7 lakhs in 1958 to 53.4 lakhs in 1959.

Industry-wise, substantial increases in production were recorded by iron and steel and automobiles, the indices for which went up by 36-37 per cent. In the iron and steel group, the index for pig iron and ferro-alloys rose by as much as 46 per cent and that for finished steel by 34 per cent. Other industries showing significant increases included non-ferrous metals (24.6 per cent), manufactures of transport equipment (25.8 per cent), paper and paper-boards (16.2 per cent), general and electrical engineering (11.5 per cent), coal (3.7 per cent), sugar (6.4 per cent) and chemicals (3.8 per cent). The index for cement recorded an increase of 13 per cent. The index for cotton textiles, which had declined by 5.8 per cent in 1958, showed a modest increase of about 2.4 per cent during 1959.

It may be noted that the actual increase in industrial production was even larger than indicated by the index, since new industries which commenced production

* Provisional

after 1951, some of which showed sharp increases during the year, are not included in the index.

A feature of the industrial growth in 1959 was the increase in the output of industrial machinery. The value of the output of sugar machinery rose from Rs. 2 crores in 1958 to Rs. 2.5 crores in 1959, jute mill machinery from Rs. 1.2 crores to Rs. 1.8 crores, constructional machinery from Rs. 32 lakhs to Rs. 62 lakhs and mining machinery from Rs. 9 lakhs to Rs. 12 lakhs. Another feature was the commencement, for the first time in this country, of production in about 31 new items which included hand sewing needles, radial drilling machines, bicycle and motorcycle spoke-making machines, photo-flash lamps, coloured sheet glass, glass syringes, etc. Mention may also be made here of the substantial increase in production achieved during the year by some of the units in the public sector, the output of machine tools (value) rose further by 30 per cent, penicillin by 14 per cent, and cables by 6 per cent.

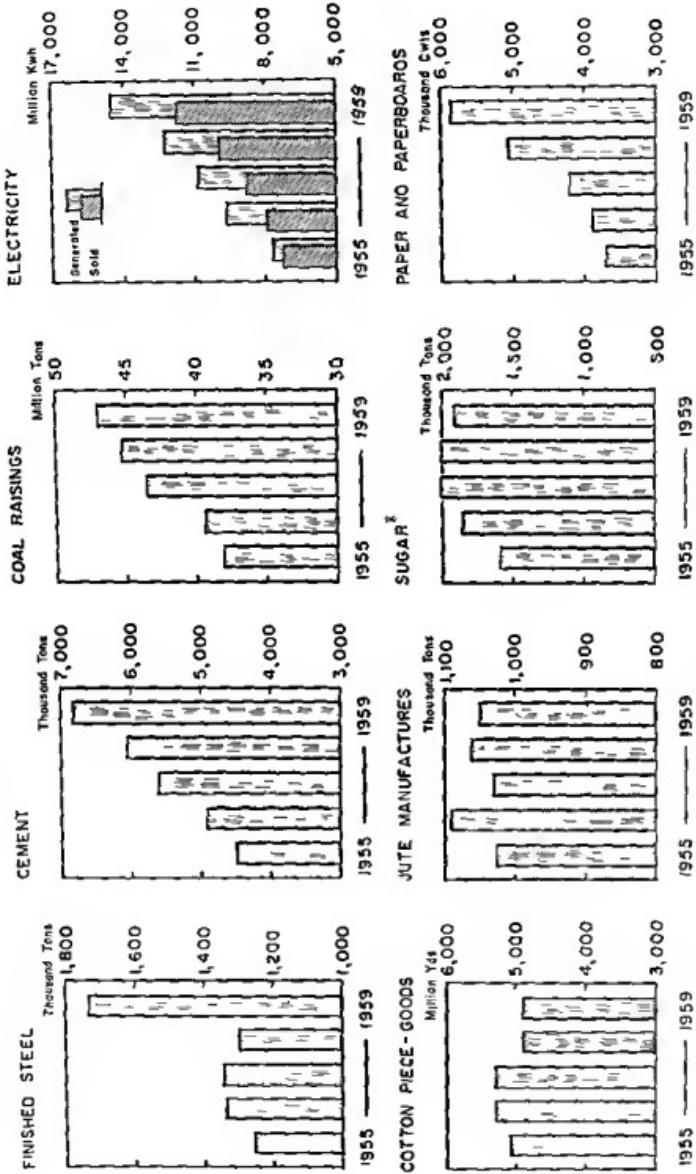
The position of some of the important industries is noticed in some detail in the following paragraphs.

Production of *steel*, which had declined from 1.35 million tons in 1957 to 1.30 million tons in 1958, recorded a substantial rise to 1.74 million tons in 1959, thus contributing to the considerable improvement in the availability of steel during the year. Almost the entire increase in production was accounted for by the two leading units in the private sector, viz., the Tata Iron and Steel Company and the Indian Iron and Steel Company, as a result of the virtual completion of their expansion programmes. The steel projects in the public sector also commenced production in the course of the year. Two open hearth furnaces for the production of steel were commissioned at Rourkela, the first in April 1959 and the second in August 1959. The first open hearth furnace at Bhilai also went into production in October. Production of steel at Durgapur has commenced since April 1960 when the first open hearth furnace in the steel melting shop was commissioned.

The output of *pig iron* also recorded a sharp increase from 20 lakh tons in 1958 to 30 lakh tons in 1959 or by 50 per cent. The increase was partly accounted for by the public sector projects as a sequel to the commencement of production of pig iron during the year at Rourkela and Bhilai.

Production of *cotton cloth* (mill made), which had declined sharply from 5,317 million yards in 1957 to 4,927 million yards in 1958, was maintained around that level in 1959 (4,926 million yards). Production during the first three months of 1960 at 1,231 million yards was somewhat higher than in the corresponding period of 1959 (1,228 million yards). Exports of cloth rose from 582 million yards in 1958 to 810 million yards in 1959, partly as a result of the operation of the incentive schemes under which exporting mills were allowed to retain a stipulated percentage of export earnings for import of textile machinery and raw materials. Internal demand also showed a marked revival. Stocks of cloth with mills declined steadily from 437 million yards at the end of March 1959 to 205 million yards at the end of December 1959 and stood at 254 million yards at the end of March 1960. Further measures taken

INDUSTRIAL PRODUCTION IN INDIA



⁴ Relates to crop year Nov to Dec

by the authorities to assist in the rehabilitation of the industry during the year included (1) the appointment by the National Industrial Development Corporation of a Working Group* in September 1959 to study and suggest ways and means of complete modernisation and rehabilitation of mills and (2) allotment to mills of 7,500 automatic looms under the replacement scheme, in addition to 3,000 automatic looms allowed last year exclusively for production for exports. The industry continues to be faced with the problem of costs, arising partly from the prevailing high prices of cotton and partly from higher wage bill. The acceptance by the Government of India, in January 1960, of the recommendations of the Central Wage Board for the textile industry will, according to unofficial estimates, involve an increase in the industry's annual bill of Rs. 14 crores in 1960 and 1961 and of Rs. 16.25 crores from 1962 onwards.

The output of *jute goods* declined fractionally from 1,062,000 tons in 1958 to 1,051,000 tons in 1959. The decline took place during the first half of the year, partly as a result of the I.J.M.A.'s decision to seal 1½ per cent of the looms from February 5, 1959 in view of the growing accumulation of stocks. Following a marked revival in demand, the IJMA unsealed 1½ per cent of the looms in June and a further 2½ per cent in August as a result of which production showed a substantial rise; the output during July 1959 to March 1960 at 802,400 tons was higher by 15,800 tons than in the corresponding period of 1958-59. Exports of jute goods recorded a rise from 791,000 tons in 1958 to 860,000 tons in 1959. Including domestic demand, total offtake rose from 1,021,000 tons in 1958 to 1,096,000 tons in 1959—a record since Partition. Stocks of jute goods with mills declined sharply to 58,900 tons at the end of December 1959 and stood at 71,900 tons at the end of March 1960 as compared to 106,800 tons a year before. It was against this background that the Indian Jute Mills Association decided to *unseal* a further 1 per cent of looms from May 1, and an additional 1½ per cent, subject to the availability of raw jute from June 1, 1960. However, in view of the growing shortage of raw jute and the speculative rise in prices, the IJMA announced, on May 20, 1960, its intention not only to rescind the earlier decision to unseal 1½ per cent of the looms from June 1, 1960 but also to curtail production by a progressive sealing of looms beginning from July or by a block closure of mills for an appropriate number of weeks in September. Subsequently, on May 25, 1960, the IJMA announced their decision to allow the member mills to seal, with effect from June 6, 1960, such additional proportion of their looms as would ensure that their supplies of raw jute would last until the new jute crop was available, on the understanding that mills would be permitted to make up, after November 1, 1960, the hours of work so lost.

Production of sugar declined from 20.04 lakh tons in the 1957-58 season, to 19.20 lakh tons in 1958-59. The decline, despite the establishment of additional units during the year, was largely due to the continued diversion of sugarcane to gur and khandsari production. To help raise production, Government announced an integrated incentive scheme in October 1959, comprising (i) a rebate of 50 per cent in the basic excise duty of Rs. 11.25 per cwt. on all sugar produced in the 1959-60 season in excess

* The Working Group has since submitted its Report in May 1960.

of the average for the preceding two seasons, (ii) an increase in the controlled ex-factory price of sugar in respect of factories in Uttar Pradesh and North Bihar from Rs 36 per maund to Rs. 37.85 per maund and from Rs. 36.50 to Rs 38.35 per maund in respect of factories in the Punjab, and (iii) an increase in the minimum price for sugarcane from Rs 1.44 to Rs 1.62 per maund for gate delivery and from Rs. 1.31 to Rs 1.50 per maund for delivery at rail heads. Mainly as a result of these measures, the output of sugar in the first six months of the current season, i.e., November 1959-April 1960, has shown an appreciable rise to 23.21 lakh tons as against 18.70 lakh tons in the corresponding period of 1958-59.

The cement industry registered an impressive rise in production in 1959. Production at 6.8 million tons showed a rise of 13 per cent as compared to 8 per cent in 1958, mainly as a result of the completion of a number of expansion schemes. Exports of cement in 1959 were substantially higher at 155,000 tons as compared to 41,000 tons in 1958. Internal demand too showed a marked increase reflecting the growing construction activity following an improvement in the supply position of steel. Stocks of cement, which had risen sharply from 106,000 tons in March 1958 to 156,000 tons in January 1959, declined to 123,000 tons in June 1959, and stood at 152,000 tons in December 1959 as against 154,000 tons in December 1958.

Production of coal went up from 45.3 million tons in 1958 to 47.0 million tons, or by 4 per cent which was about the same rate as in 1958 but substantially lower than that in 1957 (10.3 per cent); of the total output of 47 million tons, the private sector accounted for as much as 40.3 million tons. There is thus considerable leeway to be made to reach the target of 60 million tons fixed for the Second Plan.

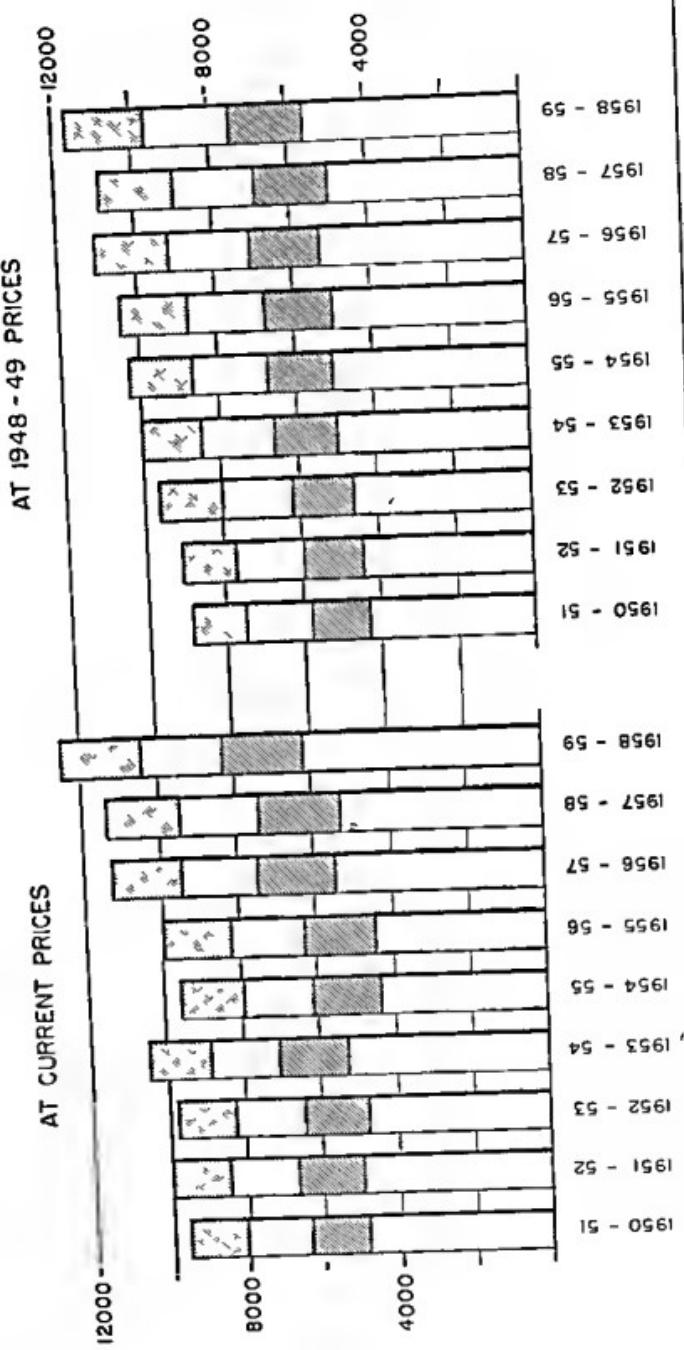
Several light engineering industries recorded substantial increases in production in 1959. The output of bicycles rose from 912,000 to 996,000 and that of sewing machines from 205,000 to 252,000. The number of typewriters and crown corks produced in 1959 amounted to 21,400 and 41.3 lakh gross as against 15,800 and 32.7 lakh gross in 1958. The production of hurricane lanterns also rose from 33.84 lakhs to 39.12 lakhs. The demand for a majority of industries in this group has been showing a steady increase, a notable exception being hurricane lanterns the demand for which has been falling off, presumably as a sequel to progressive rural electrification.

In the chemicals group, a number of items recorded significant increases. The output of superphosphate rose from 1.7 lakh tons to 2.4 lakh tons or by 41 per cent. Production of sulphuric acid rose by 24 per cent to 2.8 lakh tons. Increases were also recorded by several industries in the pharmaceuticals and drugs, insecticides, aromatic chemicals and dyestuffs groups.

The production of salt, which had shown a significant increase of 14 per cent in 1958, declined by 24 per cent to 85.2 million maunds in 1959 owing partly to unfavourable climatic conditions and partly to voluntary cuts in production as a sequel to the large stocks at the end of 1958. An important development during the year was the decision to canalise exports of salt through the State Trading Corporation for a

NATIONAL INCOME BY INDUSTRIAL ORIGIN (CRORES OF RUPEES)

- Other Services
- Commerce, Transport and Communications
- Mining, Manufacturing and Small Enterprises
- Agriculture



period of one year from June 1959, as an export promotion measure. Exports of salt, which had declined in 1958 to 7 million maunds from 10 million maunds in 1957, rose to 9.2 million maunds in 1959.

Trends in National Income

According to preliminary estimates, national income (at constant prices) for 1958-59 recorded a significant rise over the previous year, this followed a set-back experienced in 1957-58 to the steadily rising trend noticed since 1949-50. At constant (1948-49) prices, the preliminary estimate of national income, i.e., net national output at factor cost for 1958-59 is placed at Rs. 11,690 crores as compared to the revised figure of Rs. 10,890 crores for 1957-58; the rise in 1958-59 was of the order of 7.3 per cent in contrast to the decline of 1 per cent in 1957-58. The per capita income at constant prices during 1958-59 rose by 6 per cent to Rs. 293.6, as against a decline of 2.2 per cent in 1957-58. The increase in national income during 1958-59 was brought about mainly by the substantial expansion in agricultural production during the year. Out of a total increase of Rs. 800 crores (at constant prices) in national income in 1958-59, the "agricultural sector" accounted for as much as Rs. 570 crores. Among the other sectors, there was a rise of Rs. 100 crores under "commerce, transport and communications", of Rs. 120 crores under 'other services', and of Rs. 10 crores under "mining, manufacturing and small enterprises".

Expressed at current prices, national income in 1958-59 worked out at Rs. 12,470 crores or Rs. 10,70 crores higher than in 1957-58 (revised). Per capita income at current prices also showed a rise from Rs. 290.1 in 1957-58 to Rs. 313.2 in 1958-59.

1958-59* 1957-58 1956-57 1955-56 1954-55 1953-54 1952-53 1951-52

Net output in Rs. abja†

1. At current prices	124.7	114.0	113.1	99.8	96.1	104.8	98.2	99.7
2. At 1948-49 prices	116.9	108.9	110.0	104.8	102.8	100.3	94.6	91.0

Per Capita net output in Rs.

3. At current prices	313.2	290.1	291.5	260.6	254.2	280.7	266.4	274.0
4. At 1948-49 prices	293.6	277.1	283.5	273.6	271.9	268.7	256.6	250.1

* Preliminary

† abja = 100 crores

III. PRICES

General.—The price situation continued to cause concern during 1959-60. The general index of wholesale prices, after an initial decline, showed an almost continuous rise upto October 1959 and, after a temporary decline in the succeeding two months, again tended to be on the upgrade. Over the year, the Economic Adviser's Index Number of Wholesale Prices (base: 1952-53 = 100) recorded a net rise of 5.7 per cent to 118.8 (monthly average of weekly prices) on top of a rise of 6.6 per cent in 1958-59. Prices had risen by 7.6 per cent in 1956-57 while in 1957-58 they had declined slightly by 0.2 per cent. The net rise in the first four years of the Second Plan was thus of the order of 21 per cent. The annual average of weekly indices for 1959-60 at 117.1 showed a rise over the year of 3.7 per cent, as compared to 4.2 per cent in the preceding year. The all-India consumer price index number for working class (base: 1949 = 100) also recorded a rise of 4.3 per cent in 1959-60 to 122, as compared to 6.4 per cent in 1958-59.

(Base 1952-53 = 100)

Groups and Sub-groups	Weight	March 1958	March 1959	March 1960	Percentage change of		Average for			Percentage change of (8) over (7)	
					(3) over (2)	(2) over (1)	1957-58	1958-59	1959-60		
					1	2	3	4	5		
All Commodities	1000	105.4	112.4	118.8	+5.7	+6.6	108.4	112.9	117.1	+3.7	
Food Articles	..	504	102.3	113.8	117.0	+2.8	+11.2	106.4	115.2	119.0	+3.3
Liquor and Tobacco	..	21	94.9	100.3	96.4	-3.9	+5.7	94.0	95.4	99.5	+4.3
Fuel, Power, Light and Lubricants	..	30	114.3	116.0	117.0	+0.9	+1.5	113.4	115.5	116.5	+1.0
Industrial Raw Materials	..	155	111.3	116.2	131.9	+23.5	+4.4	116.5	115.6	123.7	+7.0
Manufactures	..	290	107.7	108.6	116.6	+7.4	+0.8	108.1	108.4	111.6	+3.0
(a) Intermediate Products	..	41	106.8	109.4	121.3	+10.9	+2.4	107.3	110.3	113.8	+3.2
(b) Finished Products	..	249	107.7	108.5	115.9	+6.8	+0.7	108.2	108.1	111.3	+3.0

The general index, which had stood at 112.1 for the week ended March 28, 1959, eased to 111.6 for the week ended April 25. From May, however, the index started moving up almost continuously, reaching a new peak of 120.0 for the week ended October 10, 1959 (as compared to the previous peak of 116.9 touched during the week ended September 13, 1958). This was followed by a temporary decline, the

index coming down to 117.5 by December 19, 1959. The index, however, moved up again thereafter to 120.0 by February 13, 1960 and stood at 118.6 by the end of the year.

It is significant to note that in the rise in the general price level that occurred in 1959-60 (5.7 per cent), the groups 'Industrial Raw Materials' and 'Manufactures' emerged as important contributory groups; the rise in the 'Food Articles' group was relatively small, unlike in previous years, the contribution of this group being mainly under sub-groups other than cereals and pulses. During 1959-60, the indices of 'Industrial Raw Materials' and 'Manufactures' went up by 13.5 per cent and 7.4 per cent, respectively, as compared to only 4.4 per cent and 0.8 per cent, respectively, in 1958-59. 'Food Articles', which had risen by 11.2 per cent in 1958-59, showed a rise of only 2.8 per cent in 1959-60.

By and large, the price situation during the year under review reflected the pressure of the sustained high tempo of investment and the substantial expansion of money supply and bank credit. The sharp rise in particular groups like the fibres was due to the decline in output; this was also largely responsible for the rise in the prices of cotton and jute textiles.

The price index for *Food Articles* declined from 112.7 at the end of March 1959 to 112.1 at the end of April, but moved up thereafter to 125.1 by October 10. Subsequently, the index tended to lower levels touching 116.5 at the end of March 1960. The rise of 2.8 per cent in the Food Articles index (monthly average) was brought about mainly by sub-groups other than cereals and pulses; the main sub-groups (other than cereals and pulses), which showed large increases during the year were tea (15 per cent), *gur* (13 per cent), edible oils (11 per cent), sugar (5 per cent) and milk and ghee (4 per cent). The index for cereals, as a whole, rose by 1 per cent as compared to 7.4 per cent in 1958-59, while that for pulses declined by 20 per cent as against a rise of 44.9 per cent in 1958-59. The relatively smaller rise in cereals over the year may be attributed to (i) the record production of foodgrains in 1958-59 and expectations of a favourable outturn in 1959-60, and (ii) larger imports of foodgrains, which during 1959-60 amounted to 37.5 lakh tons as compared to 34.2 lakh tons in the preceding year. However, the seasonal decline in prices of Food Articles this year was much less marked, being only 5 per cent as compared to 7 per cent last year, and the expectations of a significant reduction in prices on account of two successive good harvests did not materialise. In the cereals sub-group, the movements of rice and wheat were in opposite directions; rice recorded a sharp rise of 15 per cent, in contrast to a decline of 8 per cent in 1958-59 but wheat recorded a decline of as much as 18 per cent as against a rise of 36 per cent in the previous year. As regards *jowar* and *bajra*, the former rose by 6 per cent and the latter declined by a like magnitude, whereas in 1958-59, both had risen, by 17 per cent and 19 per cent, respectively. The index of sugar prices, which had risen by 2.5 per cent during 1958-59, advanced further by 5 per cent during the year under review, due to an upward revision of the controlled ex-factory prices of sugar in October 1959, as part of an integrated scheme to stimulate sugar production. The index for *gur* rose by 13 per cent, as compared to the rise of 22 per cent in the previous year. Tea prices rose by 15 per cent mainly owing to a fall in output.

The index for *Industrial Raw Materials* rose almost throughout the year, the rise becoming pronounced since December. It may be noted that, between October and March, the index rose by as much as 7.6 per cent, although during this period, the general index of wholesale prices declined by 0.5 per cent. The rise of 13.5 per cent in *Industrial Raw Materials* group over the year was mainly the result of the increases of 23.7 per cent in raw jute and 10.8 per cent in raw cotton. Oilseeds also rose by 10.2 per cent, groundnut alone moving up by 17 per cent. The spurt in the prices of these commodities, which became pronounced since December, has to be viewed mainly in the context of the decline in output in the 1959-60 season (vide Chapter II).

The index for *Manufactures* rose by 7.4 per cent. The rise, despite the marked expansion in industrial production during the year, reflected in part the impact of rising raw material prices and in part the inadequacy of output in relation to growing demand. In this group, the sub-group 'Intermediate Products' accounted for a larger rise of 10.9 per cent, the rise in the sub-group 'Finished Products' being 6.8 per cent. Of the latter, the increases occurred mainly under textiles, cotton textiles rising by 12 per cent and jute textiles by 20 per cent, as compared to declines of 3.4 per cent and 4.7 per cent, respectively, in 1958-59. The rise in the prices of cotton textiles was due to, besides the sharp rise in raw cotton prices, the marked revival in demand for the commodity which had slackened since September 1956.

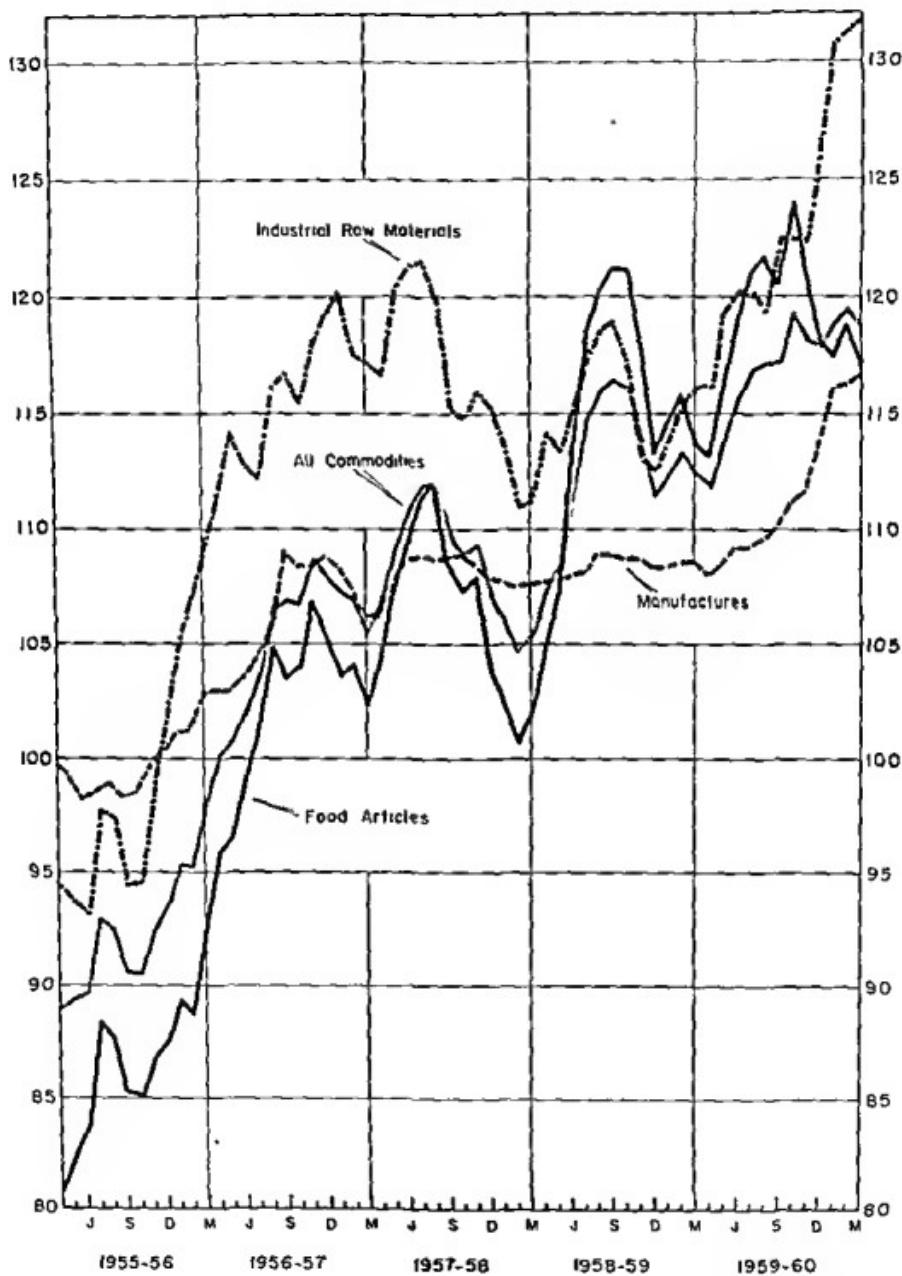
Price Policy.—The sharp rise in the two groups, viz., 'Industrial Raw Materials' and 'Manufactures', which, for the first time since 1950-51, contributed more to the rise in the general level of prices than the Food Articles group, the non-materialisation of the earlier expectations of a substantial reduction in food prices despite two successive good harvests, and the evidence that monetary factors had contributed to an increase in aggregate demand and thereby to the pressure on prices—all these underlined the need for a further reinforcement of official policy to hold the price line, through action on the non-monetary as well as monetary fronts. The action taken on the monetary and credit front included (i) the continuance of selective credit controls, the scope of which was further extended during the year, (ii) moral suasion and (iii) the resort, for the first time, to the instrument of variable reserve requirements towards the close of the year (for details please see Chapter IV).

Although the price rise under the group 'Food Articles' during the year was relatively small (2.8 per cent), it should be noted that the bulk of the rise of 32.9 per cent in the general index during the last 5 years or so, i.e. the period since May 1955 (when the first phase of price rise started) to March 1960, has occurred mainly under 'Food Articles' which with 50 per cent of total weight in the index, is up by 42.2 per cent while 'Industrial Raw Materials' and 'Manufactures' are up by 40.6 per cent and 17.5 per cent. In view of this crucial importance of foodgrain prices in the general price situation, the authorities continued to give special attention to hold foodgrain prices in check. Apart from the continuance of selective credit controls referred to above, other measures taken during the year included (1) augmentation of the supplies of foodgrains—through larger imports as well as procurement, (2) extension of the machinery of controlled distribution through fair price shops,

GRAPH 5

INDEX NUMBERS OF WHOLESALE PRICES

Base~ 1952-53=100



(3) continuance of (i) the ban on forward trading in foodgrains, (ii) the restrictions on the inter-State movement of foodgrains as also the zonal arrangements, with necessary modifications and (iii) the ban on open market purchases of wheat by flour mills, (4) extension, in suitable cases, of the provisions of sub-section (3A) of Section 3 of the Essential Commodities Act, 1955, under which the Government can direct any person holding foodgrains in stock to sell the same at prices equivalent to the average market prices prevailing in the preceding three months and the delegation to State Governments of powers to enable them to requisition stocks from traders and millers and (5) the extension of the licensing system to cover the entire wholesale trade in foodgrains throughout the country.

In 1959, imports of foodgrains aggregated 38.1 lakh tons (comprising 35.0 lakh tons of wheat, 2.9 lakh tons of rice and 0.2 lakh tons of sorghum and corn) as compared to 31.7 lakh tons in 1958. As in 1958, the bulk of the foodgrains imported during 1959 was received from the U.S.A. under Public Law 480 programme. The only supplier of rice was Burma under the Indo-Burma Rice Agreement of May 1956. With a view to obtaining larger quantities of foodgrains in 1960, the Government of India signed on November 13, 1959, a fourth agreement with the U.S.A. under Public Law 480, for the purchase of about 30 lakh tons of wheat and flour, as well as other commodities like cotton, tobacco and foodgrains. Two more agreements were concluded with Canada for the supply of wheat; the agreement of May 11, 1959 provided for aid in the shape of 1.6 lakh tons of wheat and the second signed subsequently on September 2, 1959 enabled India to purchase a quantity of 1.1 lakh tons of Canadian wheat by way of aid under the Colombo Plan. As regards rice imports, an agreement was signed on November 23, 1959 with the U.S.A. under Public Law 480 for importing 1.5 lakh tons of rice. Earlier on September 29, 1959 arrangements were finalised with Burma for purchasing a quantity of 1.5 lakh tons of rice in addition to 3.5 lakh tons stipulated to be imported in 1959 in terms of the five-year agreement signed in May 1956. On March 21, 1960, the Government of India signed an agreement with the United Arab Republic, for the import of one lakh tons of rice during 1960. Mention may also be made here of the agreement concluded in May 1960 with the U.S.A. under the P.L. 480 programme, for the import of 16 million metric tons of wheat and 1 million metric tons of rice over a period of four years; one-fourth of the wheat and all the rice contracted for imports will be utilised for the building up of buffer stocks.

Internal procurement of rice and paddy by both the Centre and the States was continued during 1958-59 (November-October) and a quantity of 13.9 lakh tons was purchased as compared to 4.6 lakh tons in the preceding season. In May 1959, the four major wheat producing States of Madhya Pradesh, Punjab, Rajasthan and Uttar Pradesh resorted to wheat purchases on their own account and nearly 2.7 lakh tons of wheat were purchased during the period May 1959 to January 1960. The substantial increase in the quantity of foodgrains procured, coupled with sizeable imports, enabled Government to step up the quantum of foodgrains for distribution through fair price shops to meet the needs of deficit areas. About 44 lakh tons of cereals were issued from Central Government stocks in 1959 as compared to 37 lakh tons in 1958.

Maximum controlled prices for paddy and rice were in operation during 1959 in almost all the States. In the case of the deficit States, however, where the supply of rice fell short of the demand, the experience was that the maximum controlled prices could not be effectively enforced. In the course of the year, price control was withdrawn in the States of West Bengal, Bihar, Madras, Mysore and Kerala.

The general pattern of restrictions on inter-State movement of foodgrains and of zonal arrangement that was in force in 1958 was largely continued in 1959. A significant development during the year was the formation on December 19, 1959 of the Eastern Rice Zone comprising the surplus State of Orissa and the deficit State of West Bengal. With the formation of this zone, the movement of rice, paddy and their products from or into the territory covered by these two States was prohibited, except under a permit issued by the State Government concerned. This brings the number of rice zones in the country to three, the other two zones being the Southern Zone (comprising the States of Andhra Pradesh, Madras, Mysore and Kerala) set up in 1957-58 and the Northern Zone comprising the State of Punjab and the Union territories of Himachal Pradesh and Delhi, created in September 1958. There was no change in the number of wheat zones.

In pursuance of the scheme of State trading (referred to in detail in the last Report), wholesalers and millers in rice and wheat were licensed throughout the country. Procurement operations in rice, which were confined mostly to the surplus areas in the preceding two seasons, were extended to deficit areas during 1958-59. Some of the State Governments, viz., Bihar, U.P. and Madras, also commenced purchases of rice on their own account during 1958-59 while West Bengal, Assam and Mysore enlarged the scale of their operations. Following the harvesting of 1958-59 rabi crops, purchases of wheat were also made in four States, viz., the Punjab, Uttar Pradesh, Madhya Pradesh and Rajasthan. The experience of State trading during the year, however, was generally not quite happy especially in deficit areas where the flow of market arrivals was reported to have been adversely affected, despite higher output. In view of this, two State Governments, viz., West Bengal and Bihar gave up from June 1959, procurement of rice, while two other States, viz., Madras and Mysore, decided not to undertake procurement operations in the 1959-60 crop; the orders fixing maximum controlled prices were also withdrawn in these States. The procurement of rice was, therefore, continued in six States only, viz., the Punjab, Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Assam and Orissa.

Action taken during the year to check the rise in the prices of raw cotton, raw jute and jute goods, sugar and oilseeds may now be noticed. In the case of *raw cotton*, the measures taken included (i) the application of stiffer margins and (ii) prevention of excess stocking of cotton by mills. In December, the Forward Markets Commission raised the margin payable on cotton futures contracts from Rs. 25 to Rs. 75 per bale if the price rose above Rs. 770 per candy. The margin payable when prices rose above Rs. 750 was also stepped up from Rs. 15 to Rs. 25 in respect of the August contract. Further the Commission took powers on December 12 to impose margins on delivery contracts also, in addition to hedge contracts. With a view to preventing excess stocking by mills, the Textile Commissioner issued an Order on December 5

forbidding mills from buying or possessing stocks of cotton in excess of three months' consumption. It was further decided on December 29 to introduce a quota system under which mills were not allowed to buy more than an initial 50 per cent of their consumption of Indian cotton during the 1958-59 season with a maximum limit of 60 per cent for mills situated in certain areas. Simultaneously, quality control was introduced according to which, all deliveries of cotton, if sold above a maximum price prescribed by Government, were required to be certified by the East India Cotton Association showing the description, staple and grade of cotton sold. Subsequently, on May 18, the Government announced their decision to impose stricter control on sales of cotton (excluding export and inter-trade sales) after August 1, 1960. Sales of cotton after this date shall be made only to mills nominated for this purpose by the Textile Commissioner at the maximum price permissible under the present schedule for ceiling prices. With a view to easing the supply situation, the Government of India made arrangements for obtaining larger imports of cotton; the total import programme was stepped up from 6.2 lakh bales for the 1958-59 season to 12 lakh bales in the 1959-60 season.

In the case of sugar, prices showed a sharp rise, owing mainly to shortfall in the 1958-59 season's output, and partly to the Government of India's decision in December 1958 to permit export of one lakh tons of sugar. The action taken to curb the rise in prices included (i) a reduction in two stages in May and September 1959 of the export quota to 12,500 tons, (ii) the decision on May 27 by Government to take over, with immediate effect, the entire production of factories in Northern India for direct distribution through licensed dealers nominated by State Governments and the imposition of a ban on inter-State movement of sugar on July 27, (iii) vesting District Officers with powers to fix prices at which sugar allotted to dealers should be sold by them and (iv) the announcement in October of an integrated scheme to stimulate sugar production (referred to earlier). As a result of these measures and the introduction of distribution through fair price shops in important cities, prices have tended to stabilise.

In regard to oilseeds, reliance was mainly placed on stiffer margin deposits to curb the price increase. On the Bombay Oilseeds and Oils Exchange, groundnut prices tended to move up sharply towards the close of January 1960, when the Forward Markets Commission imposed a special margin of Rs. 106.25 per candy on groundnut contracts if the price rose above Rs. 212.50 and further fixed ceiling prices for groundnuts and groundnut oil on February 4. The margin system was also extended for the first time to hedge and transferable specific delivery contracts in groundnut oil at the rates of Rs. 2.10 and Rs. 6.30 per quarter on contracts above Rs. 19 and Rs. 21 per quarter, respectively. Subsequently, a third slab was fixed at Rs. 11.37 per quarter on contracts above Rs. 22.75 per quarter. In cottonseed, in addition to the margin payable in two slabs at Rs. 15 and Rs. 30 per candy on contracts over Rs. 130 and Rs. 140, respectively, a third slab at Rs. 50 per candy on contracts above Rs. 150 per candy was introduced with effect from December 18, 1959. Similar margins were imposed on trading in oilseeds at other centres also in the context of the rising trend of prices at those centres. Further, the Reserve Bank by a directive issued in December 1959, continued the selective credit control in

respect of groundnut and extended it to all other oilseeds except cottonseed (for details please see Chapter IV).

Margins were also imposed and further tightened during the year on *raw jute* and *jute goods* in order to curb an undue rise in their prices. On December 10, the margins payable on raw jute, sacking and hessian were fixed at Rs. 2 per maund for raw jute, Rs. 5 per 100 bags for sacking and Rs. 2 50 per 100 yards for hessian when the prices closed at or above Rs 29, Rs 105 50 and Rs. 41, respectively. Later, in the same month the margins were stepped up in two stages, the rate as of December 26 being Rs 10 for raw jute, Rs 9 for sacking and Rs. 4 for hessian. As the rise in prices became more pronounced in April, an additional margin of Rs. 10 on raw jute, Rs 8 on hessian and Rs 18 on sacking was imposed on April 21, payable when prices closed at or above Rs 34, Rs 46 and Rs 124, respectively. On May 12, a third margin (in addition to the existing two) at Rs 25 on raw jute (September 1960 delivery), Rs 134 on sacking and Rs 51 on hessian (May delivery) was imposed, the margins being payable when prices closed at or above Rs. 41, Rs. 134 and Rs. 51, respectively. In respect of August delivery, the margins payable were fixed at Rs 50 for sacking and Rs 25 for hessian if prices closed at or above Rs. 132 and Rs. 50, respectively. Further, ceiling prices were also fixed, effective upto July 31, 1960, in respect of forward contracts, and transactions in futures trading, except those in the nature of offsetting transactions, were also prohibited till July 31, 1960.

Consumer Price Index.—The movements in the cost of living index were more or less similar to those of the wholesale price index. The all-India consumer price index number for working class (Base 1949=100) rose from 117 in March 1959 to 126 by November 1959. The index declined to 122 in December and continued unchanged at that level for the rest of the year. Over the year, the index recorded a net rise of 4.3 per cent as compared to a rise of 6.4 per cent in 1958-59. The annual average of 123 for 1959-60 represented a rise of 4.2 per cent as compared to a rise of 5.4 per cent in the previous year. Region-wise, the index recorded an increase in most of the centres though the magnitude of the increase varied from centre to centre. The rise was high in Madras (8.7 per cent), Calcutta (7.7 per cent) and Bangalore (7.4 per cent) while it was relatively small in Bombay (3.1 per cent). In Delhi and Kanpur, the index recorded a net decline of 5.6 per cent and 2.0 per cent as against a rise of 16.7 per cent and 11.2 per cent, respectively, in 1958-59.

IV. MONETARY AND BANKING TRENDS

General.—The year 1959-60 was characterised by a marked stepping up of the rate of monetary expansion, both money supply and bank credit. Although this reflected to an important extent the increased tempo of industrial output and higher economic activity in general, it would appear that the rate of expansion was in part unhealthy. Consequently, towards the close of the year, the Reserve Bank of India applied a further series of credit restraint measures. The expansion of money supply was almost twice as large as in 1958-59 and that of bank credit was also more than double. Indicating the above trend, the slack season decline in money supply and bank credit was much smaller than in the previous year; the busy season rise in bank credit was also slightly larger, though the expansion in money supply was somewhat smaller. As in the preceding three years, the growth of deposits and investments in Government securities of banks continued to be markedly influenced by the counterpart funds arising from P.L. 480 imports. Aggregate net deposits, even excluding P.L. 480 funds, rose at a faster rate than in 1958-59. A feature of the deposit trends this year was the sizeable expansion in demand deposits in contrast to the small decline in 1958-59. The upswing in time deposits, however, continued apace, the rise in this item being larger than in the previous year. The expansion in holdings of Government securities of banks was considerably smaller than last year on account of the much larger expansion of bank credit than in 1958-59 and the larger increase in cash reserves.

The Reserve Bank's policy continued to be one of restraint. In the field of credit control, a feature of the year was the resort, for the first time since the Reserve Bank acquired the power in October 1956, to the instrument of variable reserve requirements. The need for a general strengthening of credit controls arose from the continuing excess liquidity in the economy as reflected in the marked expansion of money supply and bank credit and the pressure exerted by it on the general price level as well as its bullish impact on the capital market as indicated by the boom in share values.

Money Supply.—During 1959-60, money supply with the public recorded a marked expansion of Rs. 202 crores (to Rs. 2,701 crores) as compared to Rs. 110 crores in 1958-59, Rs. 76 crores in 1957-58 and Rs. 129 crores in 1956-57. There has been a progressive rise in the rate of expansion in money supply from 3.3 per cent in 1957-58 to 4.6 per cent in 1958-59 and to 8.1 per cent in 1959-60. The aggregate expansion during the first four years of the Second Plan amounted to Rs. 517 crores or 23.7 per cent.

Component-wise, currency with the public rose by Rs. 138 crores in 1959-60 and accounted for two-thirds of the expansion in money supply; in 1958-59, the expansion in currency with the public (Rs. 118 crores) had more than accounted for the expansion in money supply (Rs. 110 crores). However, since the other component

in money supply, namely deposit money also showed a substantial rise in 1959-60 in contrast to a small decline in 1958-59, the share of currency in total money supply (which had risen from 67.3 per cent to 69.0 per cent in 1958-59) showed a fractional decline to 68.9 per cent in 1959-60. The seasonal swings in money supply were less pronounced than in the previous year. Among the factors which brought about the year's expansion in money supply, the deficit on Government account continued to be the most important, but its incidence was substantially smaller than in the preceding two years. On the other hand, the expansionist impact of credit extension by banks to the private sector was much larger than in the previous two years. On the contractionist side, the cushioning effect of the payments deficits, characteristic of the previous three years, was virtually absent, while the rise in banks' time liabilities continued to exert a marked countervailing influence, as in the previous years.

Money Supply with the Public

(Crores of Rupees)

	Variations during the First Plan period 1951-52 to 1955-56	VARIATIONS DURING				TOTAL of (2) to (5)	Outstanding as on the last Friday of March 1960	
		1956-57	1957-58	1958-59	1959-60			
		1	2	3	4	5	6	7
1	Currency with the Public .	+ 174 (+13.0)	+ 51 (+ 3.4)	+ 50 (+ 3.2)	+ 118 (+ 7.3)	+ 138 (+ 8.0)	+ 357 (+ 23.7)	1,862
2	Deposit Money	+ 32 (+ 4.8)	+ 77 (+ 11.4)	+ 26 (+ 3.4)	- 8 (- 1.0)	+ 65 (+ 8.4)	+ 160 (+23.5)	839
3	Money supply with the Public	+ 205 (+10.3)	+ 129 (+ 5.9)	+ 76 (+ 3.3)	+ 110 (+ 4.6)	+ 202 (+ 8.1)	+ 517 (+23.7)	2,701

Note.—Figures in brackets are percentage variations.

For purposes of analysis of money supply with the public, the transactions of the public may be grouped under three broad categories, namely, (i) transactions with the foreign sector, as indicated roughly by the net changes in foreign assets held by the Reserve Bank,* (ii) transactions with the banking sector† as represented by the credit extension of banks to the public, adjusted for changes in time liabilities of banks and (iii) transactions with the Government; Government's deficit in its transactions with the public is almost entirely covered by resort to bank credit, which includes not only extension of Reserve Bank credit to Government (which takes the form of purchases by the Bank, of Government securities, mostly *ad hoc* Treasury bills, rediscount of Treasury bills and grant of loans and advances to Government).

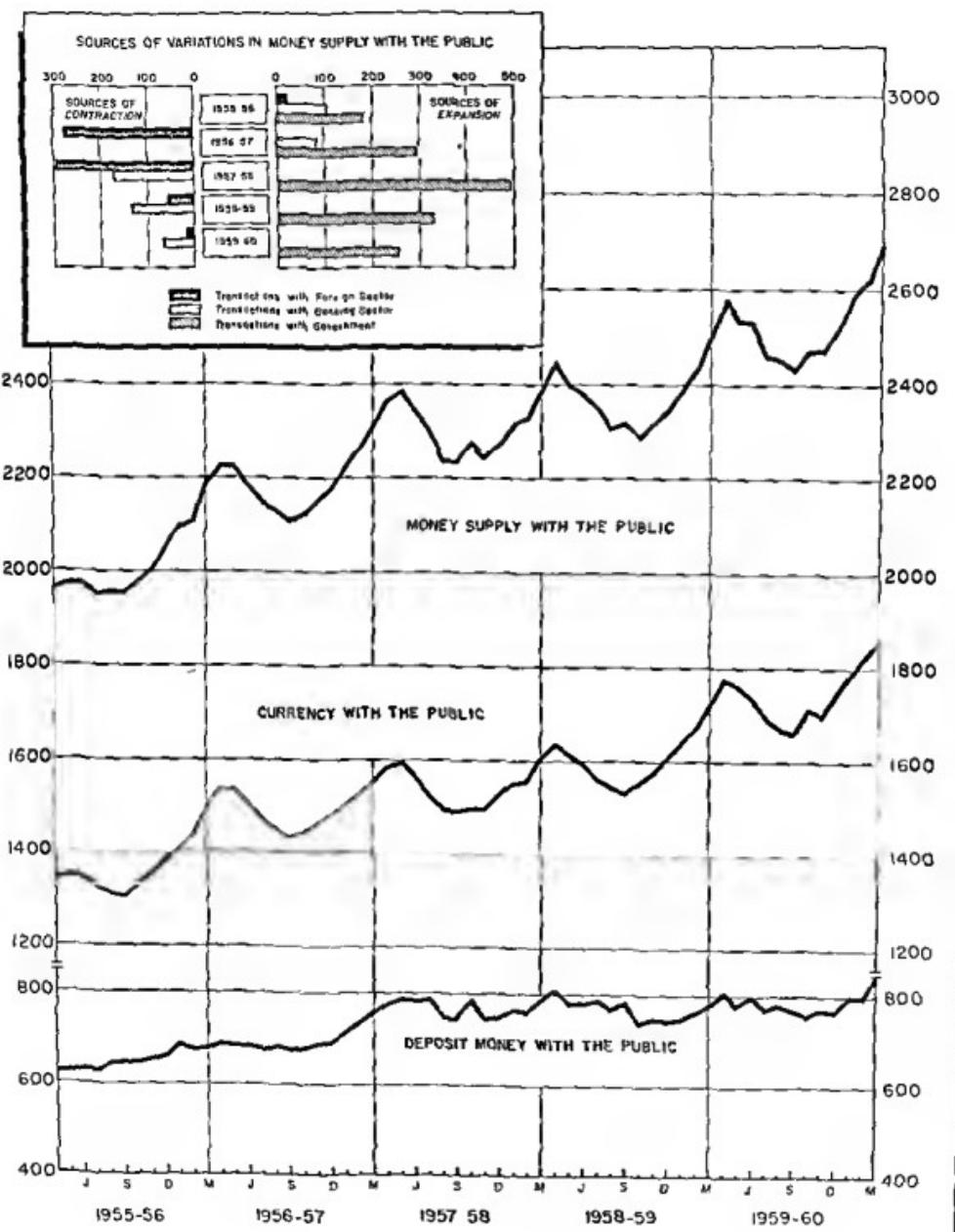
* The net change in foreign assets reflects not only the transactions of the public with the foreign sector but also those of the Government. However, it is difficult to isolate the effects of these two sets of transactions. In the analysis presented here, therefore, the contractionist influence of the balance of payments deficit as well as the expansionist effect of the Government's net disbursements could be said to have been equally overstated.

† Covers scheduled, non-scheduled and State co-operative banks

GRAPH 6

MONEY SUPPLY WITH THE PUBLIC

(CRORES OF RUPEES)



but also investments by banks in Government securities* as well as changes in Government balances.**

In 1959-60, Government's budgetary deficit (as defined above), which continued to be the major source of monetary expansion, was substantially smaller at Rs 268 crores, as compared to Rs 331 crores in 1958-59 and Rs 496 crores in 1957-58. Its breakdown into central bank credit and commercial bank credit showed that the resort to Reserve Bank credit through creation of *ad hoc* Treasury bills† was somewhat larger (Rs. 135 crores) than in 1958-59 (Rs. 123 crores) but much smaller than in 1957-58 (Rs. 465 crores). On the other hand, the rise in commercial bank credit to Government, as measured by the increase in their investments in Government securities, was smaller (Rs 103 crores) than in 1958-59 (Rs 174 crores) but larger than in 1957-58 (Rs 81 crores).

Bank credit to the private sector showed a sharp expansion of Rs. 146 crores which was more than double that in 1958-59 (Rs. 64 crores) and in 1957-58 (Rs 66 crores) and only slightly less than that in 1956-57 (Rs 152 crores). At the same time, however, banks' time liabilities recorded a substantial rise of Rs 213 crores as compared to Rs 238 crores in 1957-58 and Rs. 196 crores in 1958-59 with the result that the public's net indebtedness to banks was reduced further by Rs 67 crores. The rise in time liabilities of banks, as in the previous two years was due, to a large extent, to the accrual of P L. 480 funds to the State Bank. If these deposits were excluded, the expansion in bank credit in 1959-60 would exceed the expansion in time deposits, implying a sizeable net *rise* in the public's indebtedness to banks as against net *reductions* in the preceding two years 1958-59 and 1957-58 and a net *increase* during 1956-57.

The impact of the balance of payments deficit which had exerted a marked contractionist influence on money supply since 1956-57, was negligible during 1959-60. The payments deficit, as measured by the decline in foreign assets held by the Reserve Bank, amounted to only Rs 5 crores‡ in 1959-60, as against Rs 274 crores‡ in 1956-57, Rs 294 crores‡ in 1957-58, and Rs 54 crores in 1958-59.

The seasonal swings in money supply were less pronounced than in 1958-59 and were occasioned chiefly by changes in the private demand for funds. In the

* The variations in Government securities holdings of commercial banks could also arise as a result of transactions with the public. However, in the context of Indian conditions it may not be inappropriate to treat these broadly as part of variations of bank credit to Government. In any event, an increase of Government securities holdings of banks is a gross expansionist factor, so far as money supply goes.

** Strictly speaking, the counterpart funds created in favour of the U S Technical Mission in India on account of P. L. 480 imports since 1956-57 and deposited mainly in the form of time liabilities with the State Bank of India cannot be considered as deposits owned by the public. If these deposits as well as the corresponding investments in Government securities by the State Bank are excluded from the analysis of money supply with the public, the expansionist effect of bank credit to Government as well as the contractionist effect of banks' time liabilities will be appreciably smaller.

† On Friday to Friday basis.

‡ The figures for 1956-57 and 1957-58 have been arrived at after adding India's borrowings from the I M F. (Rs. 54.8 crores and Rs. 34.5 crores respectively) to the reduction in foreign assets held by the Reserve Bank, while for 1959-60, the decline in foreign assets has been reduced for the repurchase of rupees from the I M F. out of these assets.

1959 slack season,* money supply with the public declined by only Rs. 111 crores or Rs. 46 crores less than in the 1958 slack season which had registered a larger contraction of Rs. 157 crores reflecting the general slackness that had characterised the economy during that year. It may be noted that the decline in bank credit (covering scheduled, non-scheduled and state co-operative banks) in the 1959 slack season was only Rs. 49 crores as compared to Rs. 102 crores in the 1958 slack season. In the 1959-60 busy season, money supply with the public expanded by Rs. 277 crores or Rs. 14 crores less than in the 1958-59 busy season (Rs. 291 crores). The smaller busy season expansion this year was due mainly to a small deficit (Rs. 7 crores) in the balance of payments in contrast to a moderate surplus in the 1958-59 busy season (Rs. 30 crores).

Money Market Trends.—The main features disclosed by the trends in *scheduled* bank data during 1959-60 were (i) a larger rise in the volume of bank credit than in the previous two years and (ii) a further acceleration of the rising trend in aggregate deposit liabilities noticed since 1951-52. Aggregate deposit liabilities went up by Rs. 267 crores (to Rs. 1,902 crores) in 1959-60 as compared to a rise of Rs. 184 crores in 1958-59. Since the increase in P L 480 deposits during the year was about the same as in 1958-59 the larger expansion in deposit liabilities during the year was entirely due to other deposits. A noteworthy aspect of the deposit trends during the year was the expansion of Rs. 50 crores (to Rs. 781 crores) in demand liabilities which contrasted with a reduction of Rs. 8 crores in 1958-59; the rise was mainly in the nature of a counterpart to the balance of payments surplus on private account and the higher rate of credit expansion during the year.

The rapid growth in time liabilities, noticed since 1956-57, continued, the expansion being larger than in 1958-59. In 1959-60, they rose by Rs. 208 crores as compared to Rs. 192 crores in 1958-59 and Rs. 249 crores in 1957-58. As in the previous three years, the accrual of P L 480 funds with the State Bank of India constituted an important component of the increase in time liabilities.

The rise of Rs. 114 crores (to Rs. 1,128 crores) in scheduled bank credit during the year was more than double that in 1958-59 (Rs. 51 crores) and only slightly less than double that in 1957-58 (Rs. 63 crores); percentage-wise, the growth was 11 per cent in 1959-60 as compared to 5 per cent and 7 per cent in the preceding two years. While the growth of bank credit during the year reflected the sharp growth of deposits, the marginal credit-deposit ratio rose significantly as compared to the 1958-59 ratio. The aggregate growth of bank credit in the first four years of the Second Plan was 48 per cent. The expansion in 1959-60 reflected, in the main, the rebuilding during the year of stocks at rising prices as well as the marked revival in industrial activity as compared to the two previous years, but in the light of the prevailing price situation the rate of expansion should be deemed to be excessive.

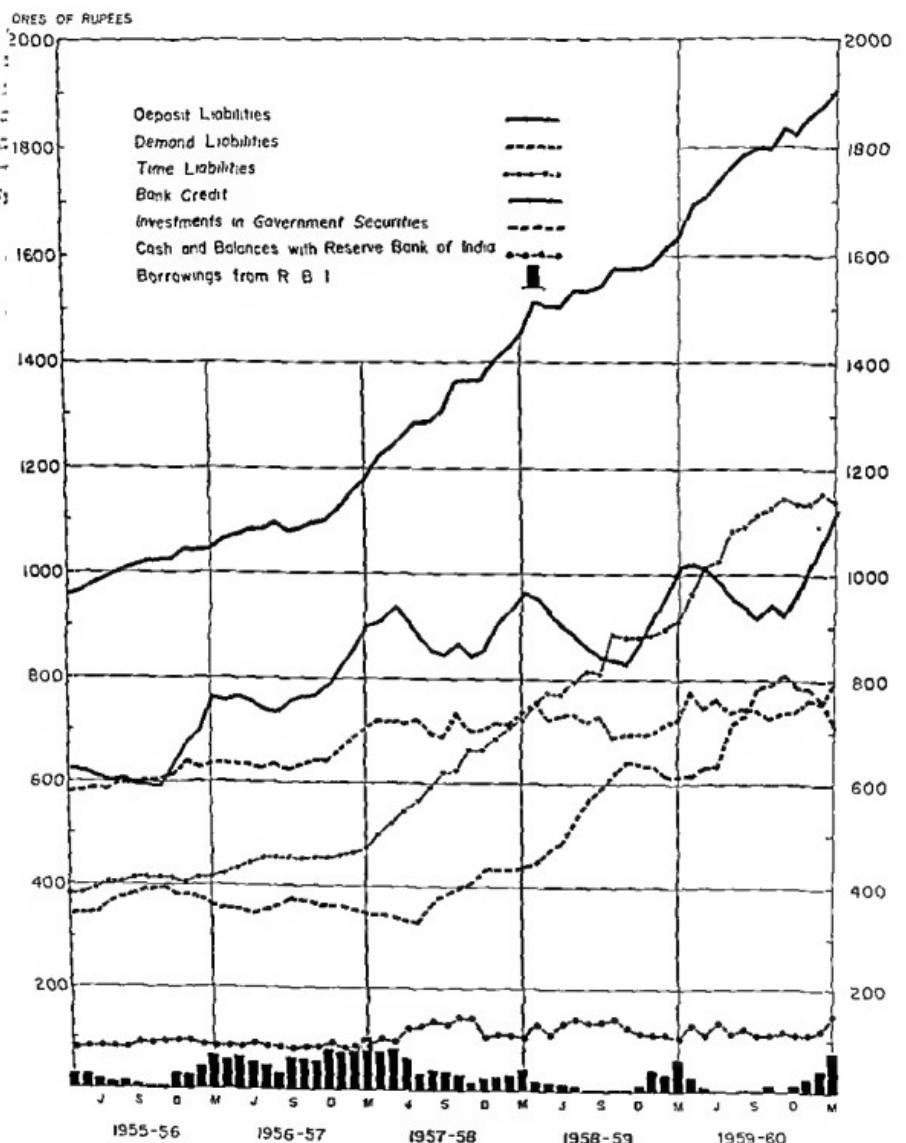
* For purposes of seasonal analysis of money supply as well as banking trends, uniformly the six-month period November-April has been taken as the busy season and the period May-October as the slack season.

† After making adjustments for the repurchase of rupees from the IMF.

‡ The data for scheduled banks as at the end of March 1960 are not strictly comparable with those at the end of March 1959 owing to an increase in the number of reporting banks, thus, however does not materially affect the general trend.

GRAPH 7

**TRENDS IN SELECTED ITEMS OF
LIABILITIES AND ASSETS OF SCHEDULED BANKS**



Net Variations in the Principal Items of Assets and Liabilities of Scheduled Banks
(Crores of Rupees)

	Financial Year		Slack season of 1958 (May-Oct-ober)	Busy season of 1958-59 (Nov-April)	Slack season of 1959 (May-Oct-ober)	Busy season of 1959-60 (Nov-April)	Outstandings as on April 29, 1960
	1958-59	1959-60					
1 Bank Credit	+ 50 9	- 114 2	- 117 9	- 181 7	- 79 0	+ 188 9	1,130 3
2 Aggregate Deposit Liabilities (Net)	+ 183 8	- 267 0	- 64 3	+ 115 9	+ 106 5	+ 130 9	1,929 7
(a) Demand	- 8 3	+ 59 0	- 69 6	+ 66 2	- 53 2	+ 69 8	771 1
(b) Time	+ 192 0	- 208 1	- 133 9	- 49 7	+ 159 6	+ 61 1	1,158 6
3 Borrowings from Reserve Bank	+ 19 9	+ 17 6	- 17 6	+ 24 9	- 13 4	+ 29 8	43 7
4 Borrowings from State Bank	+ 3 1	+ 2 0	- 3 9	+ 6 2	- 3 3	+ 8 3	14 1
5 Investments in Government Securities	+ 172 9	+ 101 4	+ 174 8	- 3 2	+ 178 0	- 52 5	741 6
6 Cash Reserves	+ 2 7	+ 45 2	+ 13 7	- 14 6	- 21 1	- 29 7	140 4
7 Inflow (+) or Outflow (-) of funds from/to London	. + 3 8	+ 1 4	- 2 7	+ 8 9	- 5 2	+ 2 3	

The credit-deposit ratio at the end of March 1960 was 59 per cent as compared to 62 per cent at the end of March 1959, though if P L 480 deposits are excluded, the ratio at the end of March 1960 would be about 70 per cent. Investments in Government securities recorded a smaller rise (Rs 101 crores) in 1959-60 than in 1958-59 (Rs 173 crores) but the investment-deposit ratio remained virtually unchanged over the year at 37.6 per cent, after reaching the high level of 44.4 per cent in early December 1959. The annual average ratio for 1959-60 at 40.6 per cent was, however, higher than the corresponding ratio for 1958-59 (36.5 per cent). Cash and balances with the Reserve Bank showed a sharp rise of Rs 45 crores to Rs 153 crores against a rise of only Rs. 3 crores in 1958-59; while this was to some extent due to the larger accrual of deposits, the major part of the rise (Rs 28 crores) took place after March 11, 1960, from which date the Reserve Bank called for from scheduled banks additional statutory reserves of 25 per cent of the increase in deposit liabilities. The cash ratio consequently recorded a substantial rise from 6.6 per cent to 8.0 per cent, however, if the annual average is taken into account, the ratio further fell to 6.8 per cent as compared to 8.0 per cent in 1958-59 and 8.9 per cent in 1957-58. Borrowings from the Reserve Bank showed a rise of Rs 18 crores (to Rs 79 crores) as compared to Rs. 20 crores in 1958-59. The rise in net balances with the Reserve Bank (*i.e.* after

adjusting for scheduled banks' borrowings from the Reserve Bank) was Rs. 9 crores over the year. The inflow of foreign short-term funds through the banking system was lower during the year at Rs. 1.4 crores as compared with Rs. 3.8 crores in 1958-59.

Slack Season of 1959.—The 1959 slack season (May to October), as compared to that of 1958, showed an appreciably smaller decline in scheduled bank credit, a substantially larger rise in deposit liabilities and a slightly larger addition to investments in Government securities. It may be noted here that early in the 1959 slack season, on June 15, in view of the record credit expansion of Rs. 182 crores in the 1958-59 busy season as well as of the rising trend in the general level of prices notwithstanding a substantial increase in production, the Governor of the Reserve Bank issued a circular letter to banks, calling for a reduction of Rs. 100 crores in credit during the 1959 slack season. Although a reduction of this magnitude was in fact achieved by end-September 1959, there was an unusual spurt in advances during October with the result that, for the slack season as a whole, bank credit showed a net reduction of only Rs. 79 crores as compared to Rs. 118 crores in the preceding slack season. A major factor accounting for the smaller decline of bank credit was the growing pace of industrial activity; advances against manufactured goods as well as against raw materials showed a smaller reduction. The expansion in deposit liabilities was also at a higher rate (Rs. 107 crores) than in the 1958 slack season (Rs. 64 crores). The portfolio of Government securities was expanded by Rs. 178 crores as compared to Rs. 175 crores in the 1958 slack season.

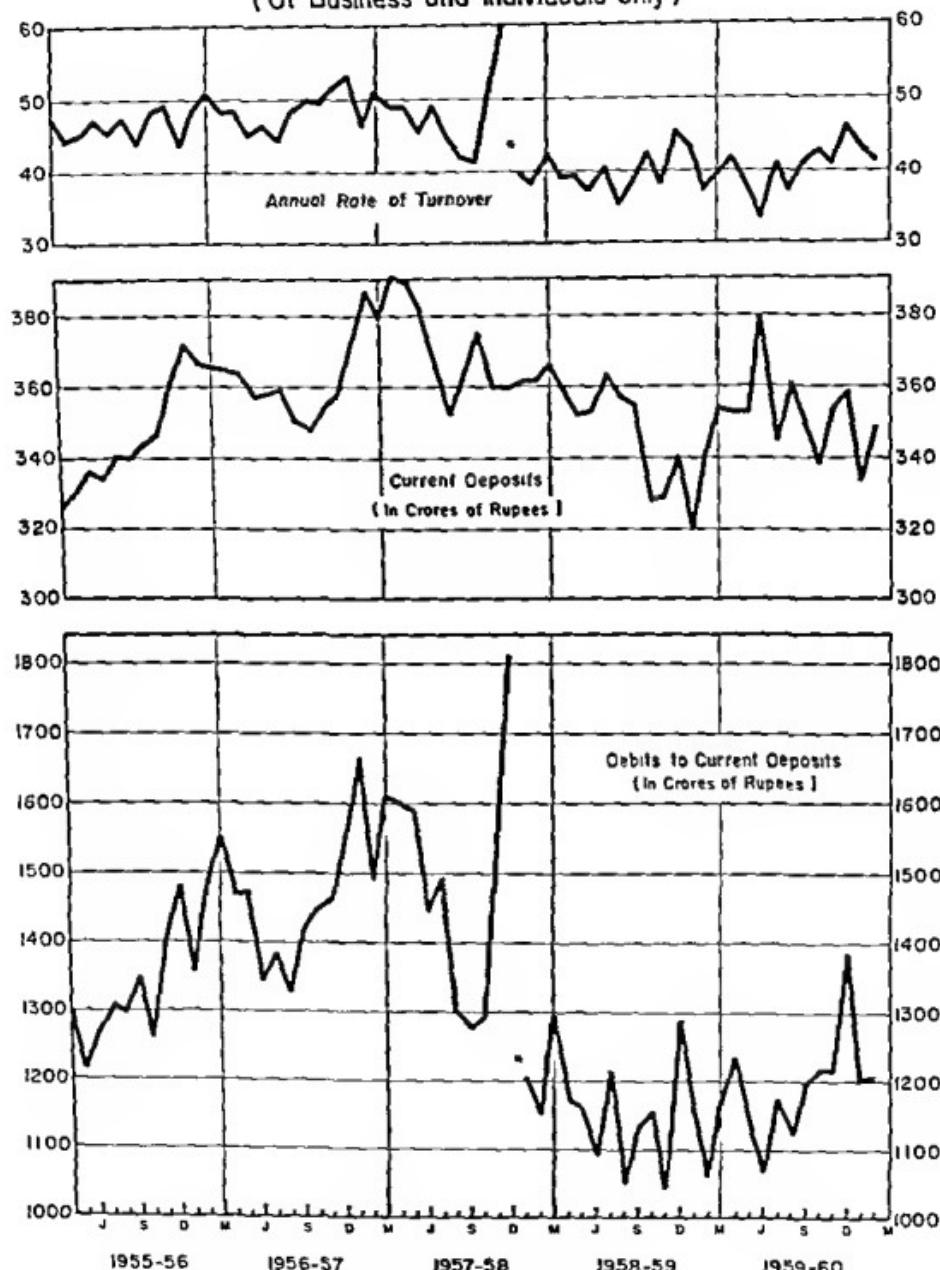
Busy Season of 1959-60.—In the busy season of 1959-60 (November 1959 to April 1960), bank credit recorded an expansion of Rs. 189 crores, thus surpassing the previous record rise of Rs. 182 crores in the 1958-59 busy season. The major factor behind this expansion was the continued upswing in industrial activity. In particular, the larger volume of sugar production and the sharp seasonal rise in stocks with the sugar industry was an important contributory factor. The rise in advances against industrial raw materials was, on the other hand, smaller than in the 1958-59 busy season, reflecting mainly the shortage of physical stocks. Simultaneously with the rise in bank credit, aggregate deposit liabilities also rose by as much as Rs. 131 crores, demand liabilities alone rising by Rs. 70 crores.

Investments of banks in Government securities declined sharply by Rs. 53 crores during the 1959-60 busy season against a small decline of only Rs. 3 crores in the 1958-59 busy season. The resort to the Reserve Bank for seasonal finance was also somewhat larger at Rs. 30 crores than in the previous busy season (Rs. 25 crores); scheduled banks' outstanding borrowings from the Reserve Bank at the end of April 1960 stood at Rs. 44 crores as compared to Rs. 14 crores at the beginning of the busy season (*i.e.* end of October 1959). Outstanding borrowings had reached the season's high of Rs. 79 crores at the end of March 1960 as compared to Rs. 62 crores in the preceding busy season.

Money Rates.—Notwithstanding the smaller return flow of funds to banks through contraction of credit, the slack season of 1959 witnessed extremely easy conditions in the short-term money market. This was mainly attributable to the high rate of accrual of deposits. The call rate amongst larger banks in Bombay, which

GRAPH 8

**ANNUAL RATE OF TURNOVER OF CURRENT DEPOSITS OF
SCHEDULED BANKS***
(Of Business and Individuals only)



* Excludes cash credits and overdrafts from January 1958.

† Relates only to offices operating in towns with population of one lakh and over.

had ruled at $3\frac{1}{2}$ — $3\frac{3}{4}$ per cent upto May slid down to $3\frac{1}{4}$ — $3\frac{1}{2}$ per cent by July 1959. During the period August to October, the rate firmed up somewhat but later it again dropped to $3\frac{1}{4}$ — $2\frac{1}{2}$ per cent in November 1959. However, with the progress of the busy season, the call rate tended to harden again and ranged between $3\frac{1}{2}$ — $4\frac{1}{2}$ per cent in April 1960. The discount rate on Central Government Treasury bills showed more or less a similar trend; it steadily declined from 2.80 per cent in May 1959 to 2.37 per cent in December 1959, but moved up thereafter to 2.77 per cent by April 1960.

The rate on deposits at seven days' notice at Bombay ruled virtually steady at $2\frac{1}{2}$ — $3\frac{1}{2}$ per cent upto July 1959. It hardened to 3 — $3\frac{1}{2}$ per cent in August but eased to $2\frac{1}{2}$ — $3\frac{1}{2}$ per cent in October. Thereafter, the rate again moved up to 3 — $3\frac{1}{2}$ per cent in December 1959 at which level it continued for the rest of the 1959-60 busy season. The three months' deposit rate at Bombay, which had stood at $2\frac{1}{2}$ — 4 per cent upto June 1959, rose to 3 — 4 per cent during July and August, but eased to $2\frac{1}{2}$ — $3\frac{1}{2}$ per cent in September and further to $2\frac{1}{2}$ — $3\frac{1}{2}$ per cent by November and remained at that level upto January 1960. It, however, firmed up to $3\frac{1}{2}$ — $3\frac{1}{2}$ per cent by March 1960 but eased to 3 — $3\frac{1}{2}$ per cent in April. In general, the reduction of the ceilings on deposit rates under the revised agreement among banks (referred to below) had a restraining effect on the rise in money rates.

During the year, there was a reduction of $\frac{1}{2}$ per cent in the ceilings on interest paid on deposits, fixed in October 1958 under the voluntary agreement entered into by the more important Indian and foreign banks, to which a reference was made in the last year's Report. The new ceilings, which became effective on September 1, 1959 are $3\frac{1}{2}$ per cent for deposits for three months and over, and $3\frac{1}{2}$ per cent for deposits of less than three months and deposits at notice of seven days or more.

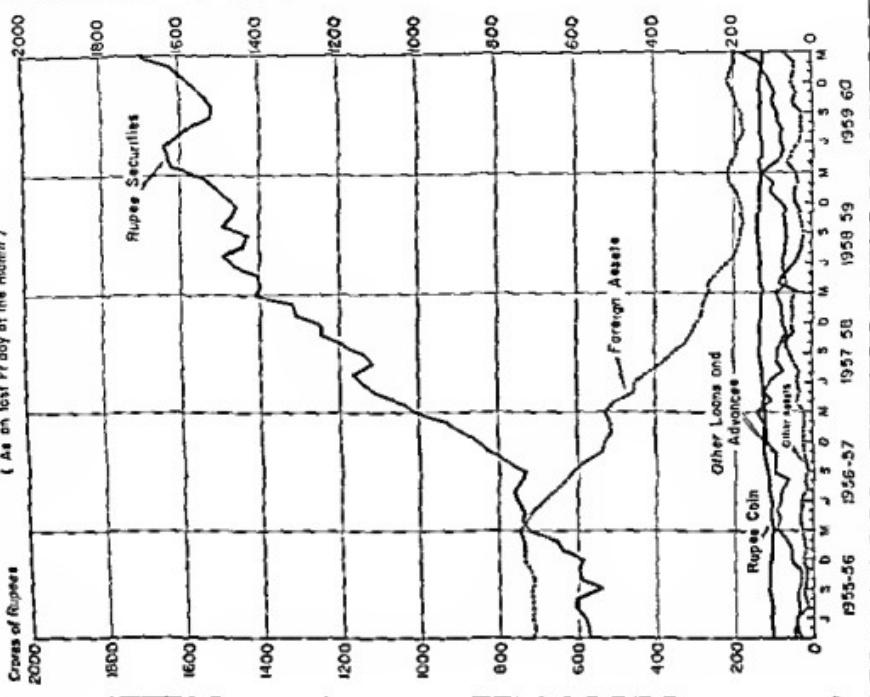
Credit Policy.—During the year, credit restraints were intensified. In recent years, the Reserve Bank's monetary policy has been one of 'controlled expansion'—a policy of general restraint alongside action to augment the flow of credit into specific sectors, in particular agriculture. For about three years now the Reserve Bank's credit restraint policy has been operated through selective credit controls, besides open market operations. At the close of the year under review, these were reinforced by an instrument of general credit restraint, namely, variable cash reserves. This policy was dictated by the further sharp rise in commodity prices and the recognition of a shift in the character of the prevailing inflationary situation; the upswing in prices in 1959-60 had occurred, unlike in the earlier years, in the wake of an all-round increase in production. It appeared that the major inflationary factor was rather the high level of aggregate monetary demand, which needed to be curbed. The boom on the stock exchange contained some unhealthy element and the liquidity of the banking system was also substantial and these required corrective action. The Reserve Bank, therefore, considered it necessary to exercise, for the first time, its power to vary the statutory reserve requirements of the scheduled banks and required them to maintain additional balances equal to 25 per cent of the increase in total liabilities since March 11, 1960; a further notification was issued on May 5, raising the quantum of additional deposits to be maintained from 25 per cent to 50 per

cent, effective May 6, 1960 Selective credit controls were extended during the year to cover advances for stock exchange transactions as well as to unsecured loans

With the introduction, by some of the State Governments, of a limited programme of procurement of foodgrains, it became necessary to modify the selective credit controls in operation in respect of foodgrain advances so as to regulate credit to the trade in accordance with the differing needs of the situation obtaining in the different States as well as to adapt the controls to the changes in the seasonal demand for credit. Thus, in April 1959, with a view to facilitating the purchase of paddy and rice by agents in Orissa on behalf of the State Government, the ceiling limits on advances against paddy and rice in that State were liberalised. Later, on July 10, the Reserve Bank issued a circular letter to all scheduled banks, modifying the existing directives regulating bank advances against foodgrains. Under this new consolidated directive, the existing margin requirement of not less than 40 per cent of the value of relative stocks in respect of advances against foodgrains was to continue, but subject to a minimum of 25 per cent in regard to credit against paddy and rice to purchasing agents of the Government of Orissa and in respect of credit against wheat to storage delivery contractors operating on behalf of the Punjab Government. As regards the quantum of credit, the average aggregate level which a bank may maintain was fixed (i) on a statewise basis for a few major States and (ii) separately for (a) paddy and rice, (b) wheat and (c) other foodgrains. Other features of the new directive were (1) withdrawal of the existing prohibition against the sanction of fresh credit limits or increase in the existing limits in excess of Rs 50,000 and (2) continuance of the existing exemption in favour of branches opened on or after January 1, 1958 and other exemptions with slight modifications.

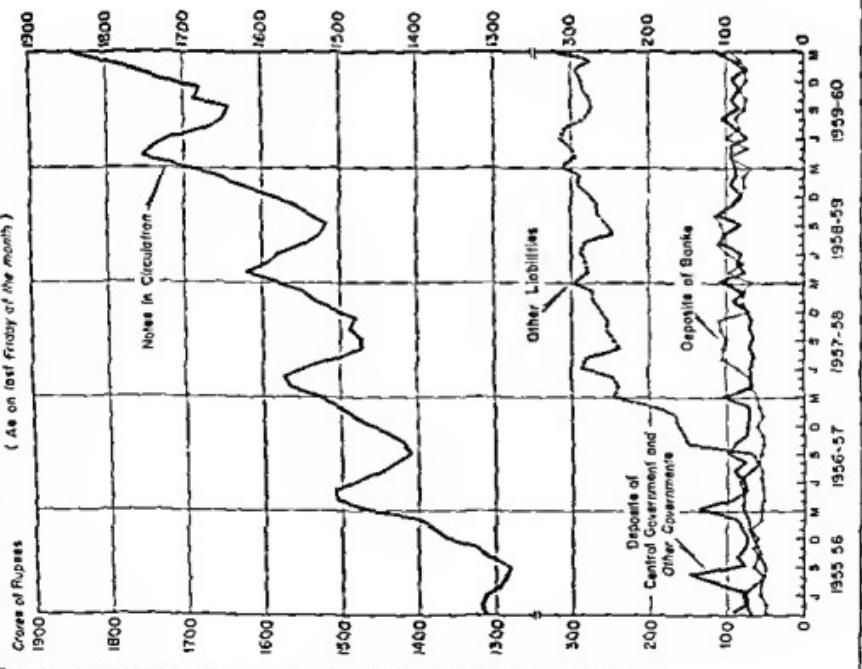
On January 16, 1960 a further directive was issued which provided for some relaxation in credit ceilings in respect of paddy and rice and simplified the formula in respect of advances of new offices or branches opened on or after January 1, 1958. Following the shift in the policy of the Central Government towards larger food zones for rice, the directive specified the ceiling limits only in respect of Andhra Pradesh and Madhya Pradesh while abolishing it for Madras and Orissa which, for this purpose, were merged with other States. Every scheduled bank was required to maintain separately in respect of its offices in (1) Andhra Pradesh, (2) Madhya Pradesh and (3) all other States together, an average aggregate level of credit against paddy and rice, which should not exceed the permissible level of credit for the corresponding months of 1958 or 1959, whichever was higher. Over the year ending April 29, 1960, advances against foodgrains stood higher by Rs 5.5 crores at Rs 25.5 crores. The busy season expansion in foodgrains advances of Rs 12.8 crores was also higher than the increase of Rs 9.5 crores in the 1958-59 busy season. The higher volume of credit extension against foodgrains this year was partly due to the greater measure of flexibility introduced in the revised directive and higher advances in respect of exempted categories, such as those against warehouse receipts and at new offices. Also, the permitted levels were more intensively utilised in 1959-60, due to some widening of the area of private trade as a result of modification of the zonal system and a less intensive procurement policy.

ASSETS OF THE RESERVE BANK OF INDIA
Issue and Banking Departments Combined
(As on last Friday of the month)



Note: Gold Holdings of the Bank increased unchanged in quantity of 7 million oz and were valued at Rs. 40 crores upto October 5, 1956 and at Rs. 778 crores the latter following the revaluation of the pure ounce to worth Rs. 15/- F.

LIABILITIES OF THE RESERVE BANK OF INDIA
Issue and Banking Departments Combined
(As on last Friday of the month)



Note: The above data in Other Liabilities in Oct 56 was due to the ratio amount of a special reserve fund as a counterpart to the higher valuation of gold holdings of the Reserve Bank of India.

In view of the prevailing high prices of groundnuts as well as other oilseeds, the control on advances against groundnuts, first imposed in February 1959, was extended to other oilseeds, excluding cottonseed. According to a new directive, issued on December 11, 1959, the minimum margin at 45 per cent on advances against groundnuts was continued, and banks were required to maintain margin on advances against other oilseeds (excluding cottonseed) at 40 per cent. Advances to *Vanaspati* manufacturers, exporters of groundnuts and other oilseeds and groundnut oil and advances against warehouse receipts covering groundnuts and other oilseeds were exempted from the margin requirements. The directive also fixed a ceiling on advances against groundnuts at 90 per cent of the average outstanding credit in the corresponding months of the previous three years. However, in order to facilitate exports of groundnuts, additional limits to the extent of two-thirds of the value of unutilised export quotas held by customers in respect of H P S groundnuts, were permitted. Also, additional permissible limits were allowed to exporters of groundnut oil at 50 per cent of the value of the groundnut equivalent of their unutilised export quotas for oil. Advances against groundnuts registered a net decline of Rs. 2.4 crores to Rs. 11.9 crores over the year ending April 29, 1960. In the case of other oilseeds in respect of which minimum margin was first imposed in December 1959, an expansion of credit of only Rs. 4.3 crores (to Rs. 15.9 crores) was registered between December 29, 1959 and April 29, 1960 as against a rise of Rs. 12.6 crores (to Rs. 20.5 crores) in the corresponding period of 1958-59.

In view of the continuing boom on the stock exchanges, and with a view to restraining the volume of bank credit against equity shares, a directive was issued on March 11, 1960, imposing a minimum margin requirement of 50 per cent in respect of advances by scheduled banks against equity shares. A period of one month was given to banks to comply with the new margin requirements in respect of existing advances, in the case of parties other than members of recognised stock exchanges and a period of three months in the case of brokers of recognised stock exchanges. Advances of Rs. 5,000 or less were exempted in order not to hamper small investors. Further on March 17, 1960, advances to share brokers by way of purchase of demand bills covering stock exchange securities to be despatched from one centre to another were exempted, provided the bills were retired within seven days of their purchase by the banks. Advances against shares of joint stock companies declined from Rs. 81.3 crores on March 11, 1960 to Rs. 78.2 crores on April 29, 1960. A ban was also imposed on the direct financing of *budla* transactions by scheduled banks through purchase of shares in their name for the current settlement and sale for the next settlement. With a view to preventing circumvention of selective controls prescribed whereby the average ratio of clean advances to total advances in any month from April 1960 was not to exceed the average ratio in the corresponding month in 1959. The banks were, however, assured that, wherever the above mentioned restrictions were shown to affect adversely the genuine demand for productive credit, the Bank would consider the grant of suitable exemptions in individual cases on merit.

Simultaneously with these measures, the Bank also resorted, for the first time, to the instrument of variable reserve ratios. By a notification issued on March 11,

1960, all scheduled banks were required to maintain with the Reserve Bank, in the form of additional deposits, 25 per cent of any additions to the demand and time liabilities after March 11, 1960, over and above the deposits hitherto required (*i.e.*, 5 per cent of demand liabilities and 2 per cent of time liabilities), provided that no scheduled bank would be required to maintain with the Reserve Bank an aggregate balance exceeding 20 per cent of its demand and 8 per cent of its time liabilities, which are the statutory maximum rates fixed in terms of Section 42(1A) of the Reserve Bank of India Act. Subsequently, on May 5, 1960 the Bank issued another notification in supersession of the March 11 notification, requiring each scheduled bank, with effect from May 6, 1960, to maintain with the Reserve Bank *additional* reserves of (1) 25 per cent of the amount by which its total liabilities on May 6, 1960 exceeded the level as of March 11, 1960 and (2) 50 per cent of the increase in total liabilities, since May 6, 1960. The Bank agreed to pay interest on the additional deposits, for each half-year, at the average rate of interest paid for the half-year by the scheduled bank concerned on its total deposits. It has since been decided that interest on such *additional* average daily balance maintained by every scheduled bank in compliance with the directive should be paid for each half-year commencing from July 1, 1960 at one-half per cent above the average rate of interest paid for the corresponding half-year by the scheduled bank on its total deposits, subject to a maximum of 4½ per cent.

As in the previous year, moral suasion was actively pursued during the year under review. Three circular letters to scheduled banks were issued, *i.e.* (i) on June 15, 1959, drawing scheduled banks' attention to the record credit expansion of Rs 182 crores in the 1958-59 busy season and impressing on them the imperative need to effect a reduction of at least Rs 100 crores in the 1959 slack season, (ii) on December 11, 1959, requesting them to take steps to discourage the practice of rediscounting clean *hundies* drawn by parties affected by the Reserve Bank's directives and (iii) on May 8, 1960 calling for a reduction of Rs 110 crores in credit during the ensuing slack season. Mention may also be made here of a circular letter, which was issued to non-scheduled banks early in the year under review, on May 21, 1959, requesting them to adopt a cautious policy in the extension of credit against commodities covered by the Bank's directives to scheduled banks.

Other Banking Developments.—Other important developments in the banking sphere during the year included (i) the passing of the State Bank of India (Subsidiary Banks) Bill, 1959, the State Bank of India (Amendment) Bill, 1959 and the Banking Companies (Amendment) Bill, 1959, details of which were given in the last year's Report, (ii) the introduction in *Lok Sabha* of the Reserve Bank of India (Amendment) Bill, 1960,* designed to enable the Reserve Bank to enlarge the scope of its powers to assist in the financing of industries and (iii) further liberalisation of the Bill Market Scheme.

The State Bank of India (Subsidiary Banks) Bill received the assent of the President on September 10, 1959. As provided under the Act, eight major State-associated banks, *i.e.* the Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of

* Since passed on April 30, 1960.

Mysore, the Bank of Patiala, the Travancore Bank, the State Bank of Hyderabad and the State Bank of Saurashtra have been taken over by the State Bank of India as its subsidiaries. As agents of the State Bank of India, which is the agent of the Reserve Bank, these banks will be entrusted with the custody of currency chests, thereby enabling them to undertake treasury work and to offer better remittance facilities to the banks and the public. A scheme for the expansion in the number of branches of these banks in the territories of the former Part B States is being framed by the State Bank in consultation with the Reserve Bank of India and the subsidiary banks concerned. The changed status of these banks as well as their branch expansion programme is expected to contribute to a more intensive mobilisation of deposits in comparatively under-developed areas and also to a closer integration of such areas with the organised money market.

The State Bank of India (Amendment) Bill, 1959, was passed by Parliament and received the President's assent on August 28, 1959. The Amendment Act seeks, among other things, to simplify the procedure in regard to the taking over of the business of any banking institution which the State Bank acquires through negotiations in terms of Section 35 of the State Bank of India Act, and to facilitate the orderly winding up of such institutions.

The Banking Companies (Amendment) Act, 1959 came into force on October 1, 1959. The Act, *inter alia*, (1) enables a banking company to pay dividends on its shares without writing off the depreciation in the value of its investments in approved securities where such depreciation has not been capitalized or otherwise accounted for as a loss, while in the case of depreciation in the value of shares, debentures and bonds and losses on account of bad debts adequate provision will have to be made before a banking company could pay a dividend, (2) introduces some flexibility in regard to the maintenance and use of the Reserve fund, (3) empowers the Reserve Bank to remove from office the chairman or any director, or manager or chief executive officer of a banking company who has been found by any tribunal or other authority to have contravened the provisions of any law, (4) provides for inspection by the Reserve Bank of offices or subsidiaries of Indian banks outside India, (5) enables the Reserve Bank to apply for the winding up of a banking company under certain circumstances, and (6) enables the High Court to direct the winding up of a banking company under specified circumstances.

The Reserve Bank of India (Amendment) Bill 1960 was introduced in Lok Sabha on April 22, 1960 and passed on April 30. The Act empowers the Reserve Bank to act as agent of the Government of India for implementing the Scheme for guaranteeing loans and advances by commercial banks and other financial institutions to small-scale industrial units (for details please see Chapter V). The Act also enables the Reserve Bank to extend medium-term loans *i.e.*, loans with a maturity upto 18 months to the State Financial Corporations and 10 other institutions notified by the Central Government, through an amendment to Section 17 of the Reserve Bank of India Act, 1934.

Mention was made in the last year's Report of the extension of the Bill Market Scheme to export bills on an experimental basis for one year upto the end of September 1959. This period has now been extended by another year upto the end of September 1960. The Scheme has also been liberalised in certain respects. The facilities under the Scheme, which were formerly available only at the Bombay and Calcutta offices of the Reserve Bank, are now made available also at its offices at Madras, New Delhi, Kanpur, Bangalore and Nagpur. Further, the maximum amount of a loan that may be availed of by a bank at any one time and the minimum amount of a usance promissory note that may be lodged as security for advances, which were originally fixed at Rs 2 lakhs and Rs 0 20 lakh, respectively, have been reduced to Rs. 1 lakh and Rs 0 10 lakh, respectively, with effect from October 7, 1959. The Reserve Bank has also undertaken, with effect from the same date, to bear the whole of the stamp duty on usance promissory notes lodged with it as security for such advances under the Scheme.

Co-operative Credit.—During 1959-60, further progress was made in the co-operative field. The membership of primary societies was expected to increase during the year from 12 million to about 15 million, covering approximately 30 per cent of the rural population. Likewise, the total advances (short-term, medium-term and long-term) by various types of co-operatives were estimated to rise from Rs. 131 crores in 1958-59 to Rs. 158 crores in 1959-60. Data relating to the operations of the primary co-operatives and the Central financing agencies during 1959-60 are not available as yet, but those in respect of the operations of State Co-operative Banks, which are available, showed a continuation of the rising trend witnessed in the previous year, in their resources as well as in the credit provided by them. The net demand and time liabilities (exclusive of borrowings from the Reserve Bank and other banks) of the State Co-operative Banks recorded an increase of Rs 6 9 crores to Rs 48 4 crores at the end of 1959-60* as compared to a rise of Rs 5 5 crores in 1958-59 and Rs 4 crores in 1957-58. The advances and bills purchased and discounted by these banks, which had risen by Rs 16 crores each in the preceding two years, went up by Rs 30 crores in 1959-60 to Rs 97 crores.

The financial accommodation provided by the Reserve Bank to the State Co-operative Banks recorded a further and marked rise of Rs 25 crores during the year (to Rs 75 crores) as compared to a rise of Rs 15 crores in 1958-59 and Rs 13 crores in 1957-58. As regards short-term finance provided for seasonal agricultural operations and marketing of crops, limits sanctioned to 19 State Co-operative Banks during 1959-60 aggregated Rs 90 06 crores as compared to Rs 70 85 crores sanctioned to 17 banks in 1958-59. The gross amount drawn by them was also appreciably higher at Rs 88 97 crores as compared to Rs 67 56 crores in 1958-59. The amount outstanding at Rs 66 45 crores at the end of March 1960 was also higher by Rs 23 89 crores as compared to a year ago.

In the sphere of medium-term credit (which is granted for agricultural purposes under Section 17(4A) of the Reserve Bank of India Act), the number of banks

* As on last Friday. The figures relate to the State Co-operative Banks maintaining accounts with the Reserve Bank of India.

to which financial accommodation was granted as also the amounts sanctioned declined somewhat. Limits sanctioned to 9 State Co-operative Banks amounted to Rs. 4 99 crores in 1959-60 as compared to Rs 5.88 crores sanctioned to 11 banks in 1958-59. However, the *gross amount drawn* rose from Rs. 2 68 crores to Rs 3 86 crores. At the year-end, the *outstanding* amount stood higher at Rs 6 22 crores as compared to Rs. 4 95 crores at the close of 1958-59.

In the sphere of *long-term* finance, four Central Land Mortgage Banks — Saurashtra, Andhra, Madras and Mysore — issued rural debentures* for a total sum of Rs 98 25 lakhs; in 1958-59 only two Land Mortgage Banks had issued rural debentures for Rs 55 lakhs. Subscriptions by the public to four issues made during the year aggregated Rs 41 92 lakhs or about 43 per cent of the total amount issued as compared to Rs 28.12 lakhs or 51 1 per cent in the previous year. The Reserve Bank's contribution to these issues, at Rs. 47 10 lakhs, formed 47 9 per cent of the total issue in 1959-60 as compared to 48 9 per cent in 1958-59. Besides, during the year, four Central Land Mortgage Banks successfully floated *ordinary* debentures (as distinct from rural debentures) for a total sum of Rs. 3 0 crores (as against Rs 3 48 crores issued by five Banks in the previous year), which was wholly subscribed by the public.

During the year, the Reserve Bank continued to provide *short-term* advances to State Co-operative Banks for non-agricultural purposes, the accommodation granted by the Bank at the Bank rate to State Co-operative Banks for general banking purposes under Section 17(4)(a) aggregating Rs 5 34 crores, as compared to Rs 1.82 crores in 1958-59. Financial accommodation provided for the purchase and sale of yarn at the Bank rate under Section 17(2)(a), at Rs. 55 lakhs, was of the same magnitude as in the previous year. The *gross amount drawn* by the State Co-operative Banks for this purpose increased during the year from Rs. 48 lakhs to Rs 78 50 lakhs; however, the amount *outstanding* at Rs 11 50 lakhs at the end of 1959-60 showed a decline of Rs 12 50 lakhs over the level at the end of 1958-59. Besides, 12 State Co-operative Banks were granted credit limits for Rs 2 33 crores under Section 17(2)(bb) or (4)(c), at 1½ per cent below the Bank rate, for financing the production and marketing activities of handloom weavers' societies, as compared to Rs 2 27 crores in the previous year, the *gross amount drawn*, at Rs 1 73 crores, was almost of the same magnitude as in 1958-59. The amount *outstanding* at the end of the year showed a rise of Rs 7 lakhs to Rs 1 76 crores. No short-term accommodation was granted during the year to State Co-operative Banks for financing the working capital requirements of sugar factories.

The Reserve Bank made a further contribution of Rs 5 crores to the National Agricultural Credit (Long-term Operations) Fund during the year, raising the amount to the credit of the Fund as on June 30, 1959 to Rs 30 crores. From this Fund, the Bank sanctioned loans totalling Rs 4 94 crores to 13 State Governments for contribution to the share capital of co-operative credit institutions as compared to Rs 6.05 crores in the previous year. Of the total amount sanctioned, Rs 3 16 crores were

*Please see Reports for 1957-58 and 1958-59.

accounted for by Central Co-operative Banks and Rs. 89 lakhs each by State Co-operative Banks and larger-sized credit societies. Almost the whole amount sanctioned (Rs. 4.93 crores) was drawn by the State Governments during the year; in 1958-59 the amount drawn had amounted to Rs. 5.74 crores. The amount outstanding at the end of March 1960 was Rs. 17.95 crores as compared to Rs. 13.18 crores a year earlier. During the year, the Reserve Bank contributed Rs. 1 crore to the National Agricultural Credit (Stabilisation) Fund, raising the amount to the credit of the Fund to Rs. 4 crores as on June 30, 1959.

The National Co-operative Development and Warehousing Board's programme of providing financial assistance in the sphere of co-operative credit, marketing, processing etc., was expected to involve a financial outlay of Rs. 9 crores in 1959-60 as compared to Rs. 7 crores in 1958-59. As regards warehousing, the Central Warehousing Corporation set up warehouses at seventeen places during the year, bringing the total number of warehouses established so far to twenty-six. Excepting Jammu and Kashmir, all the States now have warehousing corporations, and twelve of them have established 138 warehouses so far.

V. CAPITAL MARKET

General.—The Indian capital market, where activity had tended to slow down in 1958-59, showed a distinct revival during 1959-60, reflecting a marked improvement in the pace of economic expansion. Investment in the public sector continued to rise steadily. Private investment in organised industry would also appear to have shown some improvement in 1959, despite continued import controls. Corporate savings were generally higher than in the previous year. Available data on dividends in respect of about 700 big companies indicate that in 1959-60 a larger number paid higher dividends than in 1958-59, while the number of those reducing their dividends was smaller. The buoyancy in the capital market, as judged from the amount of capital raised as well as by the rise in share values and in turnover, was aided, among other things, by the raising towards end-August 1959 of the exemption limit under the Capital Issues (Exemption) Order 1949 from Rs 5 lakhs to Rs 10 lakhs. The capital raised in the new issue market, according to preliminary official data, recorded an appreciable rise in 1959. Available data relating to consents granted (and not to capital actually raised), also indicated the same trend. A number of new issues were heavily oversubscribed and some were reported to be quoting at substantial premiums even prior to their actual issue to the public.

In the share markets, the upswing noticed since the beginning of January 1958 continued during 1959-60. Apart from special factors operating in individual industries, the underlying bullish factors contributing to the buoyancy of the market were the rise in industrial as well as agricultural production, the generally optimistic view taken by the market in regard to the future of industries based on prospects of substantial foreign assistance and the various measures adopted by Government to assist industry and a steadily growing tendency to invest funds in stocks and shares. The 1960-61 Budget, which maintained the *status quo* in direct taxation and met by indirect taxation only about one-fourth of the estimated revenue deficit and also contained a few concessions to industry in respect of dividends distributed out of past taxed profits as well as in respect of taxes on companies holding less than 50 per cent share in the capital of another company, appears to have been yet another bullish factor. A part of the rise in share values was no doubt speculative and there were signs that bank finance had also helped sustain market activity at the higher level of equity prices. With a view to checking unhealthy speculative excesses, some of the stock exchanges themselves took action to tighten up their margin system. Towards the close of the year the Reserve Bank also announced a series of credit curbs, including, among other things, (i) the imposition of a minimum margin of 50 per cent in respect of advances by scheduled banks against ordinary shares and (ii) a ban on direct financing of *budla* transactions by scheduled banks. The Reserve Bank's all-India general index of variable dividend industrial securities rose by 10 per cent during 1959-60 on top of a rise of 16 per cent during 1958-59. The gilt-edged market also kept generally firm during 1959-60.

although the rise in prices as measured by the Reserve Bank's index for Government of India securities was less marked (0.6 per cent) than in the preceding year (2.2 per cent).

The institutional machinery of industrial finance was further strengthened during the year; one more financial corporation, viz., the Jammu and Kashmir State Financial Corporation was established on December 2, 1959, thus bringing the total number of these corporations as on March 31, 1960 to 14 i.e., one each for all the States. The activities of the various special institutions set up for the provision of finance for industry recorded a further expansion. During 1959-60, the Industrial Finance Corporation of India and the State Financial Corporations sanctioned larger amount of loans and advances than in 1958-59. The Industrial Credit and Investment Corporation of India also sanctioned more loans and investments than in any preceding year. During the year, the Refinance Corporation for Industry formulated certain proposals for enlarging the scope of its activities and making its operations more flexible, so as to make its assistance available to a larger number of banks and to industries which are in conformity with the purposes of the development plans. The development of small-scale industries continued to receive the special attention of the authorities, a noteworthy development in this sphere being the formulation of a Guarantee Scheme for loans to small-scale industrial units on the lines suggested by the Seminar on Financing of Small-Scale Industries held in July 1959. Under the State Bank's Scheme evolved for the co-ordinated provision of credit to small-scale industrial units, the number of units assisted by the Bank as well as the amount of credit limits sanctioned in favour of these units also recorded substantial increases during the year.

Government Securities Market.—The gilt-edged market continued to rule generally firm during 1959-60, although the net rise in prices over the year, as measured by the Reserve Bank's index of prices of Government of India securities, was less marked than in 1958-59. Support to the market chiefly stemmed from institutional investors, particularly banks, reflecting the continued excess liquidity in the economy. Governmental borrowing operations had yet another successful year, although the net market borrowing this year was smaller than in 1958-59. On June 15, 1959, the Union Government announcement of their decision to float two cash-cum-conversion loans for a total amount of Rs 175 crores was received well as the terms offered were generally in line with the market's expectations, the subscription lists, which were opened on July 1, were closed on the following day, the amount offered having been fully subscribed. In August, thirteen State Governments entered the market for raising new loans aggregating Rs 61.5 crores and the response to these loans was excellent, the subscriptions amounting to over Rs 100 crores. Notwithstanding the new issues, the market continued firm, with pronounced enquiry for short and medium-dated issues where a paucity of stocks was reported. The Union Government therefore, created on October 9, two further issues of the 3½ per cent Bonds 1969 and the 3½ per cent Loan 1974 for a total amount of Rs 45 crores which were taken up initially by the Reserve Bank of India on its own investment account for being made available for sale to the public through the usual procedure for the sale of special issues. With the onset of the busy season, market activity generally tended to taper off consequent on the withdrawal of institutional support as is

usual at this time of the year, but the undertone remained, on the whole, firm. In January 1960, the Madhya Pradesh Government made a further issue of the 4 per cent Loan 1971 for Rs 2 crores, which was also fully subscribed.

Reflecting the underlying strength of the gilt-edged market, the trend of Reserve Bank's open market operations continued to be one of net sales almost throughout the year. Net sales by the Bank aggregated Rs 60 crores in 1959-60, as compared to Rs. 89 crores in 1958-59. Scheduled banks augmented their investments in Government securities, for the third year in succession, the rise during the year amounting to Rs. 101 crores as compared to Rs 173 crores in 1958-59 and Rs 93 crores in 1957-58. The share of the State Bank in these was substantial and reflected the investment by that Bank of funds accruing to it under P L 480 agreements. Most of the State loans, particularly the new issues floated in August 1959, were in good demand from institutional investors almost throughout the year, although the gains, as in the case of the Central loans were less pronounced than in the preceding year.

Over the year, among the short-dated loans, the 2½ per cent 1961 Loan recorded the maximum rise of Rs 1.28. Among the medium and long-dated loans, the 3 per cent 1966-68 and 1970-75 Loans, which had risen by Rs 1.67 and Rs 4.86 last year, advanced by Rs 1.99 and Rs 1.03, respectively. The new 3½ per cent 1969 and the 4 per cent 1979 Loans, issued in July, showed a premium of 35 nP and 20 nP., respectively, over their issue prices, at the end of the year. The 4 per cent 1972 and 1973 Loans, however, moved down by 18 nP and 21 nP., respectively. The irredeemable 3 per cent Conversion Loan of 1946, which had gained Rs. 3.07 at Rs. 74.09 last year, fluctuated between Rs 74.90 and Rs 73.00 and closed at Rs 73.61, representing a net decline over the year of 48 nP. The Reserve Bank's average index number of prices of Government of India securities (base 1952-53 = 100) rose over the year from 100.5 to 101.1. Among State loans, the maximum rise of Rs 1.90 was recorded by the 3 per cent 1964 Madhya Pradesh Loan. Almost all the new 4 per cent 1971 State loans were quoting, at the end of the year, at a premium which ranged upto a maximum of Rs. 1.40 in the case of the Bombay Loan.

As in the previous year, consequent on the price increases, the yields on Government securities generally tended to lower levels, but the declines were less marked. The yields on State loans declined on an average by about 0.10 per cent as compared to about 0.30 per cent in 1958-59. Among Central Loans, the yields on short-dated eased on an average by about 0.10 per cent and on medium and long-dated by about 0.05 per cent as compared to declines of 0.30 percent and 0.15 percent, respectively, in 1958-59. The maximum fall in yield of 0.22 per cent was recorded by the 3 per cent 1966-68 Loan. A notable exception to the general trend was provided by the 3 per cent Conversion Loan, the yield on which rose fractionally by 0.02 per cent (to 4.07 per cent) as against a decline of 0.18 per cent in 1958-59.

Industrial Securities Market.—The boom in share values noticed since January 1958, continued during the year under review and, despite occasional setbacks, mainly of a technical character, the primary trend remained distinctly upward. The Reserve Bank's index number of prices of variable dividend industrial securities (base: 1952-53 = 100) rose from 146.8 at the end of March 1959 to a new peak

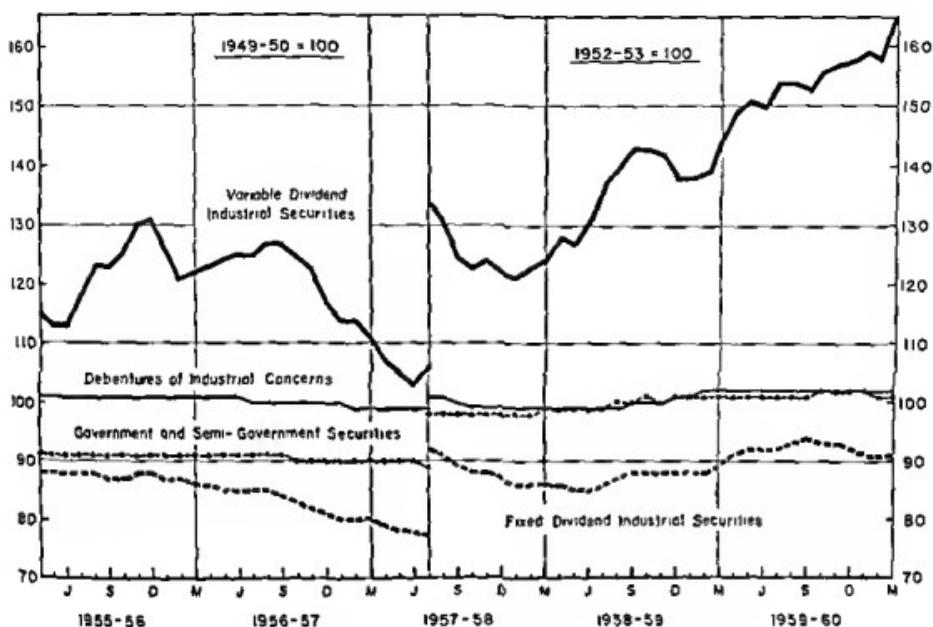
of 168.8 during the week ended March 12, 1960 and stood at 161.7 at the close of the year. Over the year, there was thus a net rise of 10 per cent on top of a rise of 16 per cent during 1958-59. The aggregate net rise since January 1958, when the current boom started, amounted to 35 per cent, as against a net fall of about 26 per cent, in the earlier bearish phase lasting from September 1956 to December 1957.

The continued buoyancy in share prices reflected the growing measure of investors' confidence in the future of the Indian economy in the context of the Five Year Plans. In particular, market sentiment was bullishly aided by encouraging prospects of growth for domestic industries against the background of the protectionist impact of severe import restrictions, the various export promotion schemes sponsored by the Government and prospects of continued foreign aid on a substantial scale. The rising trend of industrial output and some improvement in exports during 1959 further assisted sentiment. Besides, there has been some evidence of a widening of investment in shares, which in the context of the prevailing paucity of floating stocks, especially of first class equities, also contributed to the sharp rise in share prices. Also, as generally happens in a period of sustained rise, there would appear to have been a not insignificant element of unhealthy speculation in the rise in share prices during the year. The increase in share prices was not merely confined to the scrips in the forward list, since cash scrips in some cases rose even more sharply than forward scrips. With a view to preventing the price rise from assuming excessive proportions, the Government of India, through the Stock Exchange Division of the Ministry of Finance, maintained a close vigilance over the stock market trends. The authorities of some of the stock exchanges themselves took action to tighten up the margin system. On the Bombay Stock Exchange, the number of scrips in respect of which special margins on daily outstanding business, which are being levied at the discretion of the President of the Exchange, was increased during the year from 6 to 11. In Ahmedabad, effective November 10, 1959, the margin rate on the over-all carry-over business in respect of all forward scrips was raised and at the same time the free limit was also somewhat reduced, besides, scrip-wise margins were introduced in respect of four clearing scrips. In Madras, since the introduction of forward trading in July 1958, margins were levied for the first time in March 1960, on a weekly basis, on the net position outstanding in cleared scrips at a flat rate of 2 per cent. The action taken by the Reserve Bank towards the close of the year to restrain speculative activity in the share markets insofar as it stemmed from bank finance has been referred to in detail in Chapter IV.

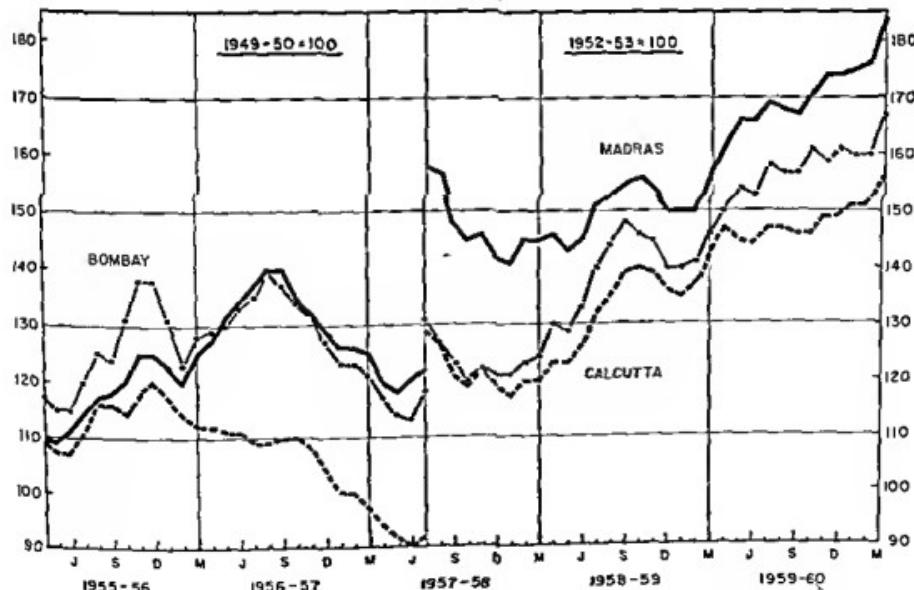
The post-budget boom in equities, which followed the announcement of the 1959-60 budget proposals, continued upto mid-May 1959. Sentiment was bullishly influenced by encouraging company news and by reports that the proposed new capital issue by the Tata Iron & Steel Company would be *at par* and would be divided more or less equally between ordinary and preference capital to lessen the load of the rights issue on the existing equity shareholders. The Finance Minister's assurance, on April 22, 1959, to provide relief to the corporate sector wherever it could possibly be given, also helped sentiment. Thereafter, there was a sharp technical reaction, which was touched off by press reports, on May 20, of a possible additional

GRAPH 10

**INDEX NUMBERS OF SECURITY PRICES
ALL-INDIA**



**VARIABLE DIVIDEND INDUSTRIAL SECURITIES
REGIONAL**



tax load of the order of Rs. 2,000 crores in the Third Five Year Plan. Anxiety regarding the final outcome of the A I C.C. seminar at Ootacamund held in June also imparted a measure of hesitancy to the market. The reaction, however, proved shortlived and the market soon resumed its earlier upswing, aided chiefly by the flow of good company news. Sentiment in steels was buoyed up by hopes regarding a likely increase in the retention prices of steel and in textiles by reports regarding rising offtake of cotton cloth and yarn. There was again a sharp reaction towards the close of July 1959 which was attributed to market rumours that the Life Insurance Corporation would unload a part of its equity holdings at the current high prices, and reports regarding heavy deliveries of shares in Bombay in the July 18 and 31 settlements. Yet another important factor which adversely affected market sentiment was the cut in dividend announced on July 24 by the Tata Iron & Steel Co. From about the beginning of August, however, a firm tone re-emerged, mainly in the wake of the news regarding Government's sanction of the long-awaited rights issue by the Tata Iron & Steel Co *at par*, although sentiment was occasionally subdued by reports regarding intrusions by Chinese troops on the Indo-Chinese border and apprehensions regarding the future set-up of the Bombay State. Early in November, market sentiment was further helped by Government's announcement regarding an increase in the retention prices of pig iron manufactured by the Tata Iron & Steel Co and the Indian Iron & Steel Company. In the latter half of November, there was a temporary reaction mainly on market's apprehensions of a possible 'supplementary' budget based on reports of an increase in defence expenditure and news regarding the acceptance by the Government of most of the recommendations of the Pay Commission. In December, however, with the supplementary budget not materialising, equities resumed the earlier upswing, sentiment having been chiefly enlivened by President Eisenhower's visit to India, which created expectations of still larger foreign assistance from the U.S.A. The Reserve Bank's index of variable dividend industrial securities, which had stood at 146.8 at end-March 1959, rose to a peak of 160.5 in the week ended January 2, 1960.

With the turn of 1959, there was a mild setback, mainly technical, but partly also reflecting the usual pre-budget uncertainties. The market was also adversely affected by reports that the Central Wage Board for the cotton textile industry had recommended an increase in basic wages to textile workers. With the approach of the 1960-61 Central Budget, however, the market turned firm, the bullish tendency becoming more pronounced after the presentation of the Budget on February 29, 1960. The Budget, which maintained the *status quo* in direct taxation and met by indirect taxation only about one-fourth of the revenue deficit, and besides contained a few concessions to industry in respect of dividends distributed out of past taxed profits and also in respect of taxes on companies holding less than 50 per cent share in the capital of another company, came, on the whole, as a pleasant surprise to the market, leading to a marked revival of speculative activity. The Reserve Bank's index of variable dividend industrial securities soared to a new peak of 168.8 in the week ended March 12 as compared to the earlier peak of 160.5 reached in early January 1960.

It was at this stage, on the evening of March 11, that the Reserve Bank announced their new credit restraint measures, including a ban on direct financing by banks of *budla* transactions and the imposition of a minimum margin of 50 per cent on advances by banks against shares (for details see Chapter IV). The market reacted suddenly and sharply in private trading on that day and some of the leading counters slumped to levels close to their pre-budget levels. Equities showed some signs of steadiness following the Bank's clarification on March 17 that the requirements in regard to margins would not apply to advances by way of purchases of demand bills covering stock exchange securities to be despatched from one centre to another, but except for this, the general bearish trend continued upto March 23. Thereafter, however, the underlying bullish trend again reasserted itself.

Over the year, as already noted, the Reserve Bank's all India average index of variable dividend industrial securities (base. 1952-53 = 100) recorded a net rise of 10 per cent. Region-wise, the Madras market showed the largest rise of 14.1 per cent, followed by the Bombay market (9.4 per cent) and the Calcutta market (5.7 per cent). In 1958-59, the largest rise had been registered by the Calcutta market (19.8 per cent), followed by the Bombay market (15 per cent) and the Madras market (8.5 per cent).

While share values as a whole showed a rise over the year, the movements in the various sub-groups revealed wide divergences, reflecting the operation of special factors affecting individual industries. Thus, while the sub-groups like silk and woollen, transport equipment, basic industrial chemicals, cotton textiles, trading, and tea and rubber plantations registered substantial net gains over the year, other sub-groups like shipping and other transport, electricity generation and supply, iron and steel and electrical machinery recorded net declines. The sub-group silk and woollen showed the maximum rise of 70.2 per cent, mainly because of the bright outlook for this industry and the announcement by companies in this section of their expansion plans. Cotton textiles also recorded a rise of 27 per cent, in contrast to a decline of 3 per cent in 1958-59, the recovery here reflected the increase in offtake of textiles both domestic and foreign, recorded during the year. Transport equipment and basic industrial chemicals moved up by 49.7 per cent and 40 per cent, respectively, reflecting mainly the growth prospects under the Plans. Tea plantations registered a rise of 8.3 per cent mainly as a sequel to the rise in tea prices. On the other hand, shipping declined by 15.5 per cent, reflecting the decline in freight rates and the disappointing financial results of some companies in this group. Iron and steel suffered a net fall of 9.7 per cent, as against a rise of 30 per cent in 1958-59, sentiment in this group appeared to have been depressed by the cut in dividend by the Tata Iron & Steel Co., already referred to. Electrical machinery also showed a net decline of 8.7 per cent over the year.

Compared to the rise in the variable dividend industrial securities, the rise in the prices of fixed dividend industrial securities was much less marked. The index for preference shares registered a net rise of only 1.1 per cent during 1959-60, while that for debentures showed no net variation. In 1958-59, the indices for both had recorded net rises of 5 per cent and 2.6 per cent, respectively.

The pattern of yields* on industrial securities showed a mixed trend; while the yields on debentures and preference shares hardened a little during 1959-60, that on variable dividend industrial securities continued to fall.

The average yield on debentures rose fractionally from 4.05 per cent in March 1959 to 4.19 per cent in March 1960. The yield on preference shares declined initially from 5.75 per cent in March 1959 to 5.54 per cent in August 1959, but subsequently rose to 5.89 per cent by March 1960.

The average yield on variable dividend industrial securities, on the other hand, declined more or less continuously from 5.81 per cent in March 1959 to 5.07 per cent in March 1960—a net fall of 0.74 per cent; this followed a net decline of 1.43 per cent in 1958-59 and a rise of 1.19 per cent in 1957-58. The average yield on variable dividend industrial securities at 5.07 per cent for March 1960 shows a decline of about 0.6 per cent as compared to the level of 5.64 per cent reached in August 1956, when the market was on the crest of a boom phase.

On a comparison of the prices and yields indices compiled by the Reserve Bank, it would appear that, as in the previous year, the decline in yields during 1959-60, was due chiefly to the rise in prices. Among the sub-groups, the decline in yield was the largest in sugar (2.18 per cent), followed by cotton textiles (2.02 per cent) and chemicals (1.42 per cent). The sub-groups coal and cement showed a decline of 1.03 per cent and 0.67 per cent in yields. The yields in the case of the sub-groups insurance and investment trusts, on the other hand, rose by 0.79 per cent and 0.58 per cent, respectively. Region-wise, Bombay recorded a decline in yield of 0.77 per cent, Calcutta 0.67 per cent and Madras 0.49 per cent.

Capital Issues—The new issue market, which had tended to be somewhat slack in 1958-59, blazed into activity during the year under review, reflecting mainly the steadily growing volume of investible funds in the context of a relative scarcity of floating stocks, especially of first class scrips. The response to new industrial issues, as in 1958-59, continued to be excellent, a number of such issues being heavily over-subscribed.

According to preliminary official data, the total capital raised by all non-Government companies through shares (other than bonus) and debentures amounted to Rs. 65.2 crores in 1959, which was as much as 18 per cent higher as compared to Rs. 55.2 crores for 1958. The preliminary figure for 1959 is likely to be revised upwards and it seems likely that the amount of capital raised in 1959 would exceed that in 1957 also (of Rs. 68 crores†).

Data on consents for the issue of capital granted by the Controller of Capital Issues indicate a much higher level of investment intentions in 1959 in the private sector. Total consents granted to the private sector (*i.e.* to non-Government companies) for raising capital through shares (other than bonus) and debentures amounted

* The yields referred to here are free of income tax.

† Revised.

‡ Further revised.

to Rs 112 crores in 1959—the highest level reached in any year since 1947. The corresponding figures for 1958 and 1957 were Rs 66 crores and Rs. 77 crores, respectively. Of the increase of Rs 46 crores in consents to the private sector in 1959, two-thirds was accounted for by initial issues (*i.e.* issues of new companies) which rose steeply from Rs 18.5 crores in 1958 to Rs 49.1 crores in 1959, their share in total consents rising from 28 to 44 per cent. Security-wise, ordinary shares accounted for about four-fifths of the total consents to the private sector for shares (other than bonus) and debentures, while preference shares and debentures accounted for about one-tenth each. In 1958, ordinary shares had accounted for 61 per cent, debentures for 25 per cent and preference shares for the balance of 14 per cent of total consents. Foreign participation in the total consents granted to the private sector (*i.e.* excluding Government companies, but including bonus and miscellaneous issues) in 1959 was appreciably higher at Rs 33 crores as against only Rs 12.5 crores in 1958. As in 1958, in 1959 also, there were no consents for World Bank loans. Of the total foreign participation of Rs 33 crores, Rs 21.7 crores or two-thirds was accounted for by new companies, and of this, Rs 14 crores were in respect of ordinary shares of Oil India (Private) Ltd.

In the first quarter of 1960, total consents for shares (other than bonus) and debentures in respect of companies in the private sector (*i.e.* to non-Government companies) amounted to Rs. 11.9 crores, of which Rs 10.6 crores were in the form of shares and Rs 1.3 crores in debentures. Foreign participation involved amounted to Rs 2.2 crores.

An important development in capital issues control during the year was the raising by the Government of India, towards the close of August 1959, of the exemption limit applicable to capital issues (other than bonus issues) laid down under the Capital Issues (Exemption) Order 1949 from Rs 5 lakhs to Rs 10 lakhs per year. The exemption limit will apply to all issues of capital (other than bonus issues) except those made by banking and insurance companies and provident societies incorporated as companies, for which irrespective of the amount of issue involved, a consent order would be necessary. For issue of bonus shares either by capitalisation of reserves created out of profits or of share premium also, a consent order under the Act would be necessary irrespective of the amount. One other recommendation of the Advisory Committee for liberalisation of capital issues control, which was reported to have been accepted by Government was that, in considering applications for issue of bonus shares, the 20 per cent residual reserves test might be relaxed, in suitable cases, on merits at the discretion of the Controller of Capital Issues, and the test of under-capitalisation should be liberalised to the extent of permitting an increase in capital upto the amount of capital employed by the company.

Working of Finance Corporations.—During 1959-60, loans sanctioned by the *Industrial Finance Corporation of India* at Rs 7.84 crores in respect of 28 industrial concerns were higher by about Rs. 1 crore as compared to Rs 6.91 crores sanctioned in respect of 22 concerns during 1958-59, but were lower than the amount of Rs 9.06 crores sanctioned in respect of 32 concerns during 1957-58. The industries in respect of which loans were sanctioned included, ceramics and glass, chemicals, cotton

textiles, engineering, hotel, non-ferrous metals, paper and sugar industries. The amount of loans disbursed during the year was lower at Rs 7.11 crores as compared to Rs. 8.34 crores disbursed during 1958-59 and Rs 7.93 crores during 1957-58. Since its inception in July 1948 upto March 31, 1960, the Corporation sanctioned loans aggregating Rs 72.18 crores in respect of 315 applications of which Rs 47.48 crores (or 65.8 per cent) were disbursed

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Apart from granting loans and advances to industrial concerns, the Corporation has since 1958-59 expanded its operations by entering into new lines of activity, viz., (1) underwriting of debentures and shares and (2) guaranteeing of deferred payments in respect of imports from abroad of plant and equipment by industrial concerns. The Corporation underwrote during the year (i) a 7½ per cent (tax-free) redeemable cumulative preference share issue for Rs 50 lakhs by a new industrial concern set up for manufacturing ferro-manganese, jointly with two firms of stock and share brokers, the Corporation's commitment under the arrangement being Rs 37.5 lakhs and (ii) a 7 per cent (tax-free) cumulative redeemable preference share issue for Rs 50 lakhs by a unit in the paper industry. Further, the Corporation also agreed to underwrite, during the year, an issue of 7 per cent (tax-free) cumulative redeemable preference shares for Rs 20 lakhs by a new unit to be engaged in the manufacture of sanitary wares, the Corporation's liability being restricted to Rs. 10 lakhs.

During 1959-60, the Corporation approved six applications for guaranteeing deferred payments to the extent of Rs 7.79 crores (inclusive of one application for the enhancement of the amount of guarantee previously sanctioned) in respect of machinery and equipment to be imported from abroad. In 1958-59, the Corporation had approved three schemes for guaranteeing deferred payments to the extent of Rs 3.68 crores. During 1959-60, the Corporation also issued, in one case, a guarantee for deferred payment to the extent of Rs 1.82 crores in respect of a proposal approved in 1958-59

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To cope up with its expanding activities, the Corporation further augmented its resources during the year to the extent of Rs 5.49 crores through the issue, in October 1959, of 4 per cent IFC Bonds 1971, the issue price being Rs 99.75 per cent. The total amount of bonds outstanding as at end-March 1960 totalled Rs 22.24 crores.

The Corporation's outstanding borrowings from the Reserve Bank of India in terms of Section 21(3)(b)* of the IFC Act were nil on March 31, 1960 as against Rs 0.94 crore on March 27, 1959. The Corporation's outstanding borrowings from the Central Government in terms of Section 21(4) of the IFC Act at Rs 13.25 crores on March 31, 1960 showed virtually no net change over the year.

* In terms of this Section, the IFC is empowered to borrow from the Reserve Bank of India, for fixed periods not exceeding 18 months upto a maximum of Rs 3 crores in the aggregate at any time, against securities of the Central Government or against bonds and debentures issued by the Corporation and guaranteed by the Central Government and maturing within 18 months from the date on which money is borrowed.

Loans and advances sanctioned* as well as disbursed* by State Financial Corporations during 1959-60 were higher at Rs. 5 91 crores and Rs 3.99 crores respectively, as against Rs. 4.99 crores and Rs. 3.33 crores in the preceding year. Since their inception upto the end of March 1960, the total amount sanctioned by the State Financial Corporations amounted to Rs 27 01 crores and the amount disbursed to Rs 17 41 crores. The total amount of loans and advances outstanding at the end of March 1960 stood at Rs 14 17 crores as against Rs 11 36 crores at the end of March 1959. Loans and advances constituted 54 per cent of the total assets of the Corporations at the end of 1959-60 as against 49 per cent a year ago.

During the year, two State Financial Corporations, i.e. Assam and West Bengal augmented their resources through the issue of bonds, the total amount offered being Rs. 1 crore.

Name of the Corporation	Date of Issue	Details of Issue	Issue Price (%) Rs	Amount offered (Rs crore)	Amount retained (Rs crore)
Assam	Oct 1959	4½% 1971	99 50	0 50§	0 55
West Bengal	Feb 1960	4½% 1972	100 00	0 50	0 50

§ The Corporation had reserved the right to retain upto 10 per cent subscriptions received in excess of the amount offered.

This brings the total amount of bonds outstanding in respect of the 14 State Financial Corporations to Rs 7 17 crores as on March 25, 1960.

During the year, the jurisdiction of the Assam Financial Corporation was extended to the Union Territory of Tripura effective March 31, 1960, with a view to serving the needs of industries in that region. The extension of the jurisdiction of the Punjab Financial Corporation to the Union Territory of Himachal Pradesh was under consideration.

The Industrial Credit and Investment Corporation of India recorded during 1959, a significant advance in its volume of business in terms of the number of applications as well as amount of loans and investments sanctioned. The Corporation approved in 1959 assistance for a total of Rs 8 41 crores in respect of 27 companies as against Rs 3 crores in respect of 16 companies in 1958. Of this, rupee assistance in the form of loans, underwriting of, and direct subscriptions to, shares accounted for Rs 4.32 crores in respect of 12 companies and assistance in the form of foreign currency loans for the balance of Rs 4 09 crores in respect of 16 companies. The total amount disbursed during the year aggregated Rs 2 99 crores (including foreign currency loans) without taking into account the investment of Rs 22 lakhs in 'rights' issues of companies against investments held.

Total financial assistance sanctioned by the Corporation since its inception in 1955 upto the close of 1959 amounted to Rs 20 40 crores† in respect of 59 companies.

* These figures do not cover the Jammu and Kashmir State Financial Corporation which was set up in December 1959, but did not commence operations in 1959-60.

† Excluding applications which were subsequently withdrawn, reduced or not proceeded with by the applicant companies.

as against Rs. 13.37 crores* in respect of 44 companies by the end of 1958 and Rs. 11.65 crores* in respect of 28 companies by the end of 1957. Of the 59 companies to which assistance was approved, 27 were new undertakings. Of the Rs. 20.40 crores sanctioned, Rs. 10.24 crores (over 50 per cent) were in the form of loans and guarantees, Rs. 8.30 crores in respect of underwriting of ordinary and preference shares and debentures, and Rs. 1.86 crores in the form of direct subscriptions to ordinary and preference shares. Of the total loans sanctioned upto the end of 1959 (Rs. 10.24 crores), loans in foreign currency accounted for Rs. 6.74 crores or 66 per cent of total loans while rupee loans and guarantees accounted for the balance of Rs. 3.50 crores or 34 per cent. A year ago, the proportion of rupee loans and guarantees had been larger at 52 per cent and that of foreign currency loans lower at 48 per cent. The total amount disbursed by the Corporation since its inception aggregated Rs. 9.01 crores of which disbursements in foreign currencies accounted for Rs. 2.28 crores.

The Corporation undertook during 1959, 7 underwriting operations for a total of Rs. 1.93 crores (as compared to Rs. 2.18 crores in respect of 6 operations in 1958) and the Corporation was called upon to take up Rs. 28 lakhs† (14.5 per cent of the sum underwritten) as against Rs. 45 lakhs (20.6 per cent) in 1958. Since its inception upto the end of 1959, the Corporation completed in all 22 underwriting operations, involving an amount of approximately Rs. 6.80 crores of which it had to take up Rs. 2.04 crores† or 30 per cent.

During 1959, the *Refinance Corporation for Industry* received 13 applications for refinance from 3 member banks involving Rs. 2.23 crores, while one application for Rs. 1.5 lakhs, which was received in the previous year, was awaiting consideration. Of these 14 applications, 13 applications for Rs. 2.25 crores were sanctioned in 1959 and the remaining one for Rs. 1.3 lakhs during January-March 1960.

Since its inception in June 1958 upto the close of March 31, 1960, the Corporation received 20 applications for refinance involving a sum of Rs. 4.21 crores. All the applications were approved, the amount sanctioned, however, being slightly lower at Rs. 4.16 crores of which Rs. 1.36 crores were disbursed. The industries receiving the Corporation's assistance included ferro-manganese, cotton textiles, staple fibre, cement, pharmaceuticals, electrical and mechanical engineering, ceramics and engineering, sugar, acids and fertilisers and miscellaneous heavy chemicals.

With a view to improving its usefulness and making its operations more flexible, the Corporation has formulated for consideration by the Government of India and the U.S. Technical Co-operation Mission, certain proposals which include (1) extension of the refinancing facilities to a larger number of banks without requiring them to become shareholders of the Corporation, (2) extension of the scope of its assistance to industries, which in the opinion of the Corporation are in conformity with the purposes of the development plans and (3) removal of the requirement that member banks should have a spread of 1½ per cent between the rate at which they borrow from the

* Excluding applications which were subsequently withdrawn, reduced or not proceeded with by the applicant companies.

† Results of two companies were awaited at the end of the year.

Corporation and the rate at which they lend, thus giving the banks discretion to fix their lending rate, subject, however, to the approval of the Corporation.

During the year under review, the *National Industrial Development Corporation* set up by the Government of India in October 1954, recorded further progress in its activities. The Corporation, which is acting as the agency of the Government of India for the grant of loans to jute and cotton textile industries for modernisation and rehabilitation and to machine tool units for expansion, sanctioned loans aggregating Rs. 14.79 crores to these industries upto March 31, 1960, as against a total of Rs 6.43 crores by the end of June 1958. Under the scheme of short-term assistance to jute and cotton textile industries for acquiring machinery on hire-purchase basis, referred to in the last Report, assistance aggregating Rs. 21 lakhs was sanctioned by the Corporation upto March 31, 1960. The Corporation continued to concentrate mainly on development of projects relating to crucial industrial raw materials and has set up a subsidiary company under the name of Pyrites and Chemicals Development Company (Private) Ltd. for the implementation of the project for the production of sulphur from pyrites.

Financing of Small-scale Industries.—In the field of financing small-scale industries, a noteworthy development during the year was the formulation, by the Government of India in consultation with the Reserve Bank of India, of a Scheme of guaranteeing loans granted to small-scale industries by specified banks and other financial institutions including State Co-operative Banks and State Financial Corporations. The object of the Scheme, which has been drawn up in the light of the suggestions made at the Seminar on Financing Small-Scale Industries held in July 1959 at Hyderabad, is to provide a measure of protection to lending institutions against possible losses in respect of their advances to small-scale industries i.e. units having capital investment of Rs 5 lakhs or less, for working capital purposes or for acquisition of fixed assets and equipment. The Scheme provides for sharing of losses between the lending institutions and the Government of India, subject to the condition that the maximum amount recoverable against the guarantee issued under the Scheme in respect of any one advance will not exceed Rs 1 lakh. The Reserve Bank of India has been entrusted with the administration of the Scheme as agent of the Government of India and has been designated as "Guarantee Organisation" for this purpose. The entire work connected with the Scheme will be attended to by the Guarantee Organisation Division of the Bank's Industrial Finance Department at Bombay. The Scheme, which came into force on July 1, 1960, will in the first instance be operative in the 22 approved districts. For the present, 95 credit institutions have been specified under the Scheme but banks and credit institutions other than those specified for the purpose may also avail themselves of the guarantee facility in respect of advances granted by them provided a specified credit institution participates in such advances to the extent of not less than 25 per cent of the amounts thereof. The guarantee may be furnished in respect of advances to small-scale industries repayable on demand or on the expiry of a fixed period *not exceeding seven years*. The charge for providing the guarantee cover will be at the rate of one quarter of one per cent per annum on the maximum amount of advance (or limit) as sanctioned and is payable in advance to the Guarantee Organisation for the period for which

the guarantee cover is sought. The charge has been kept low in the experimental phase of the Scheme with a view to providing an added incentive to credit institutions for enlarging finance to small-scale industries. The entire Scheme including the type and extent of guarantee and charge therefor will be reviewed at the end of the experimental period of two years.

The financing of small-scale industries continued to receive the special attention of the Government during 1959-60. The amount of grants and loans provided by the Centre to State Governments for purposes of loans to small-scale industrial units rose to Rs 4.77 crores in 1959-60 from Rs 4.34 crores in 1958-59, and is placed at Rs 4.95 crores in the Budget for 1960-61.

In the last year's Report, it was mentioned that the State Bank's 'Pilot Scheme' for the co-ordinated provision of credit to small-scale industries, which was in operation only at 36 centres at the end of March 1958, was extended by January 1, 1959 to cover all centres (over 500) at which the State Bank has branches. The number of small industrial units assisted under the Scheme increased from 649 at the end of 1958 to 1,496 by end-December 1959 and further to 1,691 by end-March 1960. Credit limits sanctioned to them rose from Rs 2.21 crores in 1958 to Rs 4.62 crores by the end of 1959 and to Rs 5.11 crores by March 1960, advances outstanding in respect of these accounts amounted to Rs 2.00 crores at the end of March 1960.

In pursuance of the policy of co-ordinating the activities of the various agencies which provide financial assistance to small-scale industries, the State Bank concluded, during the year, agency arrangements with the Punjab and Andhra Pradesh State Financial Corporations similar to the agreements concluded earlier with the Bombay, West Bengal and Uttar Pradesh State Financial Corporations. All these financial corporations, however, have so far utilised the services of the State Bank only to a limited extent, namely, for obtaining credit reports on small and medium units applying for loans.

A reference was made in the last Report to the Agreement concluded between the National Small Industries Corporation and the State Bank of India under which small-scale units, securing Government or other orders through the auspices of the Corporation, could obtain an advance from the State Bank for the full value of raw materials pledged to the Bank, such portion of the loan in excess of what the Bank would have normally advanced being guaranteed by the Corporation. Negotiations are in progress for enlarging the scope of the Corporation's guarantee to cover all stages of production i.e., from the purchase of raw materials to the disposal of finished products.

The *National Small Industries Corporation* continued to render useful service to small-scale industrial units under the various schemes. Since its inception in February 1955 upto the end of December 1959, the Corporation secured 1,525 orders valued at Rs 5 crores from Government purchasing agencies, on behalf of small-scale units. Similarly, under the hire-purchase scheme, referred to in the last Report, the Corporation had, by the end of 1959, accepted 2,167 applications (excluding rejections and withdrawals) for the supply of 8,085 machines valued at Rs. 7.6 crores, of which

3,204 machines valued at Rs. 2.8 crores had been delivered to the applicants. Certain relaxations were made in the hire-purchase scheme during the year. Thus, the earnest money, which the applicants are required to pay in the case of special purpose machines, was reduced from 33½ per cent of the value of the machines to 20 per cent *i.e.*, the same level as for general purpose machines. Also, it was decided to collect the first instalment only after one year (instead of 6 months as hitherto) from the date of execution of the hire-purchase agreement.

VI. BULLION MARKET

General.—During 1959-60, except for occasional reactions which were short-lived, bullion prices ruled distinctly firm, both gold and silver soaring to touch new all-time peaks. The price (ready) of gold at Rs 134.62 (per tola) on January 22, 1960* crossed the earlier all-time high of Rs 121.00 reached in August 1948, and that of silver (ready) at Rs 218.25 (per 100 tolas) on March 11, 1960* surpassed the Korean peak of Rs. 207.25 recorded in June 1951. In gold, the average price for 1959-60 was higher than that for 1958-59 by 11 per cent and in silver by 8 per cent. The range of price variations also widened from Rs 16.31 in gold and Rs 23.56 in silver during 1958-59 to Rs 18.12 in gold and Rs 26.38 in silver during 1959-60.

A feature of the rise in prices during the year was that even the slack season of 1959 had no impact on prices, gold ruled around the levels reached in the preceding busy season while silver, in fact, exceeded those levels.

The main factor contributing to the spurt in prices in both metals was the considerably reduced supplies in the context of sustained demand. In gold, the market has been denuded of supplies, since the entire domestic production is being acquired by the Government of India since June 1958 (instead of being sold in the market). Further, the inflow of smuggled gold was reported to have been reduced considerably during 1959-60 owing to (i) the issue of special notes in the Persian Gulf territories in May-June 1959 (referred to in the last Report), (ii) the restriction, from December 10, 1959, on imports of Indian currency notes to the relatively small amount of Rs 75 per passenger and (iii) the stricter vigilance exercised by the Customs authorities. In the case of silver, the inflow of Tibetan silver coins, which has been the major source of supplies since May 1956, was reduced to a trickle as a result of (i) political troubles in Tibet, (ii) the Chinese Order declaring the Indian and Tibetan currencies illegal in Tibet and (iii) the border intrusions into Indian territory by the Chinese troops. The firm trend in commodity markets would also appear to have exerted a bullish impact on bullion prices.

Abroad, fluctuations in international bullion prices continued to be confined to a narrow range. In the London gold market, the spread between the high and the low points was slightly lower during 1959, being 1 sh 9½ d as compared to 2 sh 2½ d in 1958. In the New York silver market, the range was 1.75 cents — about the same as in 1958.

In 1959, world gold production (excluding that in U.S.S.R. for which figures are not available) increased by 7 per cent from 30.3 million fine ounces to 32.4 million fine ounces mainly because of a record production of gold in the Union of

* Since March 1960, both metals scaled new peaks on May 5, 1960, ready gold touching Rs 138.69 and ready silver Rs 231.25. Thereafter, however, there was a sharp setback, gold declining to Rs 125.37 and silver to Rs 211.44 by May 31.

South Africa estimated at over 20 million fine ounces. On the demand side, there were indications that the private demand for gold had increased during the year. Although the offtake for purposes of hoarding was reported to have been lower in the Middle and Far East as well as in Europe, the purchase of gold for investment appears to have increased markedly mainly as a hedge against a possible increase in the dollar price of gold.

There were important developments during the year facilitating the purchase of gold by private parties. In April 1959, it was announced that the South African Reserve Bank was prepared to sell gold bars to private purchasers resident outside the Sterling Area if the prices offered were better than those quoted on the London market. Substantial purchases of gold were reported to have been made directly from South Africa during the year under the new arrangement.

Another development in this field related to the issue of a new type of transferable gold certificate by Samuel Montagu & Co, London, Bank of Nova Scotia, Canada, the Deutsche Bank, Frankfurt, and Union Acceptances Ltd, Johannesburg. The purchaser of a certificate is entitled to obtain a specified amount of gold after a certain period, the price charged to the buyers being the current market price. As the certificates are interchangeable, the holders can obtain delivery of the gold in any of the countries covered by the scheme on the payment or receipt of a difference based upon the relative price of gold in the two markets. Residents of the Sterling Area are not permitted to purchase these certificates under the current exchange control regulations.

With the restoration, at the end of 1958, of the external convertibility of the pound sterling together with most of the leading world currencies and the permission given in March 1959 to the London gold market for undertaking forward transactions in gold, increasing use was being made of the London market as a clearing house for international settlements. Business which had been diverted to other centres began to flow back to London with the result that the turnover in the London market was reported to have increased by about 50 per cent in 1959. The greater part of the offtake consisted of purchases by Central banks in Europe and elsewhere. During 1959, total official gold stocks (excluding the Chinese-Soviet group of countries) increased by \$819 million as against \$905 million in 1958. Soviet gold sales during the year were larger than in 1958 and were estimated at about 7 million ounces as against 6 million ounces in the previous year. The price of gold in the London market ranged between 248 sh 11½ d and 250 sh 9 d per ounce. The average price for the year 1959 at 249 sh. 10 34 d was nearly the same as in 1958 (249 sh 9 51 d).

In contrast to gold, world production of silver (excluding the Communist bloc countries) fell from 211.3 million ounces in 1958 to 195.6 million ounces in 1959 — a decline of 7 per cent. In 1958, the production had risen by 3 per cent. The fall in production during 1959 was attributed largely to the strikes in the non-ferrous metal industry in the U.S.A. On the other hand, demand for silver increased substantially in 1959. World consumption of silver is estimated to have risen by 18 per cent from 250.5 million ounces in 1958 to 296.0 million ounces in 1959, in 1958, the consumption had fallen by 16 per cent. Reflecting the improved business conditions the world

over, arts and industries consumed 13 per cent more (211.8 million ounces) than in 1958 (187.4 million ounces). The coinage consumption too rose from 63.1 million ounces to 84.2 million ounces or by 33 per cent. The marked rise in coinage consumption was due principally to new coinage programmes in France and Italy. Available information indicates that the new coinage programmes will consume 58 million ounces of silver in France and 24 million ounces in Italy. The coinage consumption in the U.S.A., which had fallen from 52.0 million ounces in 1957 to 36.2 million ounces in 1958, also rose to 40.7 million ounces in 1959.

In the world silver markets, firm conditions prevailed during most of the year 1959. In the U.S.A., besides the fall in production, the imports were also lower (by about 17 per cent), as the silver from other producing countries normally sold in the U.S.A. was diverted to more advantageous markets. Periodically, domestic consumers bought Treasury silver in varying amounts to meet their requirements, such Treasury sales during 1959 being estimated at 72 million ounces of which sales to industry amounted to 33 million ounces as against only 1.3 million ounces in 1958. The price (per ounce) ranged between 89.88 cents and 91.63 cents during 1959. The average price for the year 1959 stood at 91.20 cents as against 89.04 cents in 1958. In the U.K., the last of the wartime restrictions on the import and export of silver were removed during the year and no licences are now required except for import of silver from the U.S.S.R. The price (per ounce) in the London silver market ranged between 75.88 d. and 80.25 d. during 1959. The average price for the year 1959 stood at 78.82 d. as against 76.21 d. in 1958.

In India, the domestic production of gold declined further — for the fifth year in succession — during 1959. The output (the whole of which, as already noticed, is being acquired by the Government of India since June 1958) amounted to 165,396* ounces in 1959 as compared to 170,109 ounces in 1958; it was 239,168 ounces in 1954. The decline in production was mainly due to the continued fall in the grade of the ore mined and (ii) temporary suspension of operations due to labour trouble in one of the Mysore mines. In silver, the output, which had declined sharply in 1958 to 109,827 ounces, rose to 124,799* ounces in 1959, which, however, was still somewhat lower than that in 1957 (125,838 ounces). The tight supply position in both metals arising from the virtual drying up of other sources of supplies (referred to earlier) was further accentuated by sustained demand and led to boom conditions in the market. During 1959-60, the ready rate in gold recorded a rise of Rs. 10.06 (or 8.4 per cent) from Rs. 120.28 to Rs. 130.34 per tola†, in 1958-59 the rise was Rs. 8.97 (or 8.1 per cent). In silver, the rise during 1959-60 was Rs. 16.62 (or 8.3 per cent) from Rs. 199.94 to Rs. 216.56 per 100 tolas; in 1958-59, the rise was Rs. 4.19 (or 2.1 per cent). The price trends§ in gold and silver are noticed below in some detail.

Gold Prices.—In the gold market, the general uptrend noticed since the beginning of 1958, continued during the early part of 1959-60, the ready price moving up

* Figures are provisional.

† 1 tola = $\frac{1}{2}$ oz., i.e., 3 ozs. = 8 tolas.

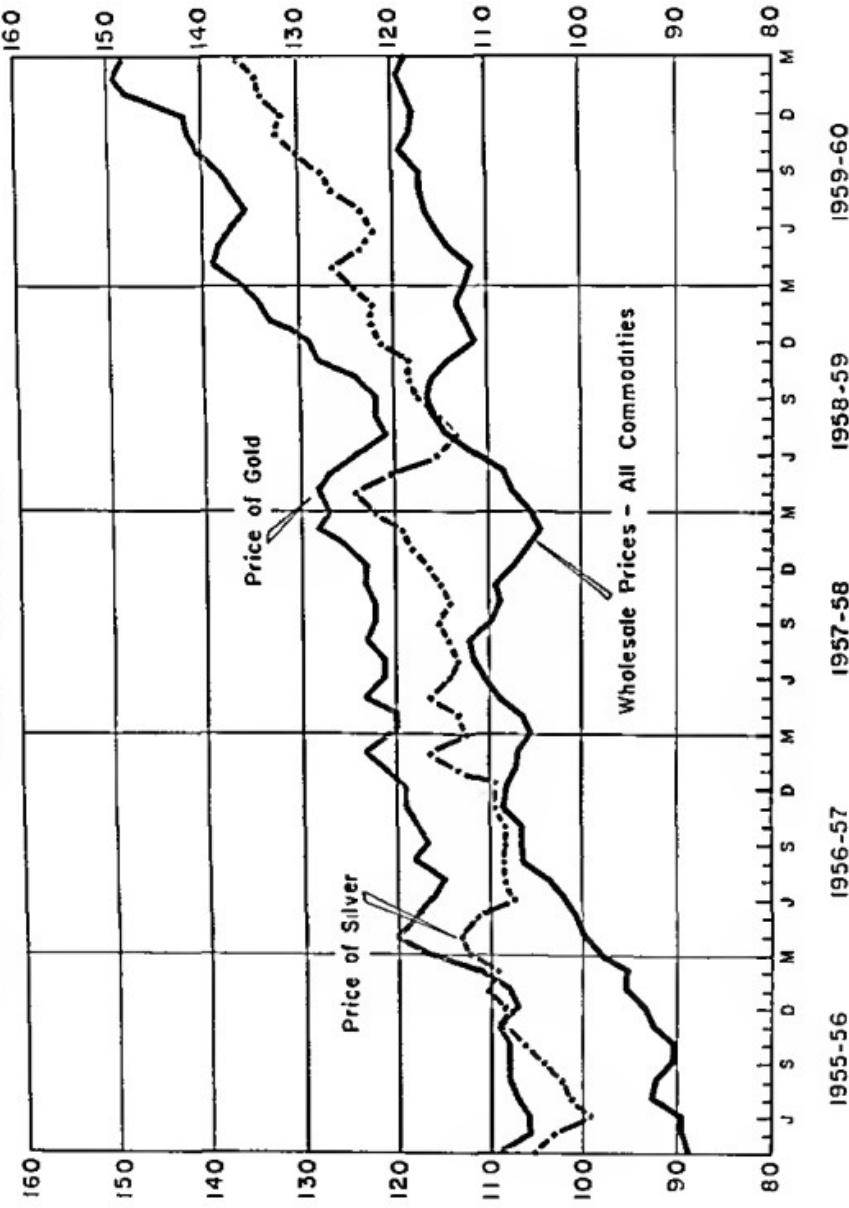
§ Throughout this chapter, only the trends in 'ready' prices have been reviewed since 'ready and forward' rates generally showed parallel movements.

from Rs. 120.28 on March 31, 1959 to Rs. 125.94 on May 4. A technical reaction followed lasting upto mid-May. Sentiment was also affected by the belief that the official action in regard to the Indian Currency in the Persian Gulf area might not result in a complete stoppage of smuggling activity in gold. The rate reacted sharply to Rs. 116.50 on May 14. Although a recovery set in thereafter, the rise was restrained mainly because of a slackening in the demand for ready; the rate fluctuated between Rs. 117.37 and Rs. 121.81 and stood at Rs. 118.69 on July 31, 1959. From the beginning of August, however, despite the progress of the slack season, the market turned bullish, mainly in sympathy with the firm trend in silver. The rate rose to Rs. 123.50 on September 1 and, after a temporary reaction to Rs. 120.37 on September 18, moved up again to Rs. 125.69 on November 23. The market became somewhat subdued at this stage because of (1) the operation of special margins against bulls in *Kartak* (November) and *Magsar* (December) settlements and (2) the Bombay High Court's decision on December 7, according to which the offence of gold smuggling is complete at the period of time when the gold crosses the Customs barrier and whatever is done with the goods subsequent to that period of time cannot form part of the offence as mentioned in Section 167(8) of the Sea Customs Act. This decision, it was felt, would provide an impetus to smuggling. The rate declined to Rs. 122.94 on December 12. But subsequently, there was a hectic rise following an expansion in demand and the firmness in commodity markets. By January 22, 1960, the rate touched the year's high of Rs. 134.62. Thereafter upto end-March, prices fluctuated between Rs. 128.69 and Rs. 132.94, the upward pressure on prices emanating from a strong seasonal demand being checked by the operation of stringent margins against bulls. The credit restraint measures taken by the Reserve Bank on March 11, had only a temporary effect on gold prices, the declines immediately following the announcement of the measures being more or less made good within a week. The ready rate fell from Rs. 131.47 on March 11 to Rs. 128.69 on March 17 and, after a recovery to Rs. 131.75 on March 23, stood at Rs. 130.34 on March 31, 1960, representing a net rise of Rs. 10.06 over the year.

Silver Prices.—Silver prices more or less followed the trends in gold. Apart from border intrusions by the Chinese troops and the general bullish trend in the commodity markets, an important factor influencing the price trends was the changing outlook in regard to imports of Tibetan silver coins. The sharp upswing in silver prices noticed towards the close of 1958-59 continued upto early May 1959, mainly due to pressure of seasonal demand. Ready silver rose from Rs. 199.94 at the end of March 1959 to Rs. 203.69 on May 4. A sharp setback ensued from May 5 lasting upto mid-May 1959 which was partly technical and partly due to the Union Finance Minister's statement on May 5 in the *Rajya Sabha* that, according to available information, the Chinese Government had lifted the ban (referred to in the last Report) on the import of Chinese dollars into India from Tibet effective April 17, 1959. The rate fell to Rs. 191.87 by May 15. The market ruled relatively quiet thereafter upto the end of June, with signs of some slackness in spot demand; the undertone, however, was firm, the rate fluctuating between Rs. 192.00 and Rs. 196.56. From July 1959, there was a renewed uptrend in prices which persisted more or less continuously upto March 1960. The main bullish factors were (i) the marked fall in the

INDEX NUMBERS OF BULLION (SPOT) PRICES AND WHOLESALE PRICES

BASE — 1952-53 = 100



inflow of Tibetan silver coins as a result of floods in Kalimpong area during July, (ii) the Prime Minister's statement in the *Lok Sabha* on August 6 that Indian and Tibetan currencies had been declared illegal in Tibet by a recent Chinese order and (iii) border intrusions by the Chinese troops. The rate rose from Rs 194.81 on June 30 to Rs. 206.19 on August 28. This level surpassed the 1959 busy season high of Rs. 203.69 reached on May 4. There was a temporary reaction to Rs 201.69 during the middle of September but the prices moved up sharply thereafter to Rs 212.50 by November 9, sentiment having been bullish influenced by the prevailing firm trend in some of the commodity markets. At this stage, the imposition of special margins in the *Kartak* (November) and *Magsar* (December) settlements led to some easiness lasting upto mid-December, when, following a remarkable expansion in demand — seasonal and speculative — in the context of attenuated supplies, the boom conditions reasserted themselves once again. Even the tightening of the margin system and the reports of sales of bullion in Calcutta from the Dalai Lama's treasures appeared to have had no appreciable effect on the market. The rate rose to Rs 215.44 on January 20, 1960 and, after a temporary decline to Rs 211.19 on February 4, rebounded again to touch a new peak of Rs 218.25 on March 11. Thereafter, there was a reaction lasting upto March 16, mainly on apprehensions that the credit control measures taken by the Reserve Bank on March 11, might be extended to commodity markets including bullion as well. But the reaction proved short-lived. The ready rate, which declined to Rs. 216.00 on March 16, recovered to the earlier level (Rs 218) by March 22 and stood at Rs 216.56 on March 31, 1960, showing a net rise of Rs 16.62 over the year.

Futures Trading in Bullion.—Reflecting a tight supply position in the face of sustained demand for the ready (referred to earlier), futures trading in the Bombay bullion market under the auspices of the Bombay Bullion Association* was characterised by an orgy of speculation, with bulls dominating the market aided, among other things, by the boom in the stock and commodity markets. During the year, automatic margins under bye-laws 33 C and 33 D came into operation more frequently than in 1958-59. Margins in terms of bye-law 33 C, which are based on price variations, became operative ten times in gold and eleven times in silver as compared to three times in gold and six times in silver during the preceding year. Similarly, margins in terms of bye-law 33 D, based on changes in the budla rates, became operative nineteen times in gold and fourteen times in silver as against twelve times in gold and five times in silver during 1958-59. Special clearings, under bye-law 104(2), designed to ensure prompt payment of differences when price fluctuations become excessive were necessitated thrice during the year as against twice in 1958-59. As regards the turnover, the available data indicate a small increase in the volume of futures business in silver from 0.8 million bars (each bar weighing approximately 1,000 ounces) in 1958-59 to 1 million bars in 1959-60, the turnover in gold, however, showed a small decline from 36.8 million tolas to 36 million tolas. The unhealthy trends in the market, as indicated by successive rises in bullion prices, became more pronounced during

* This is the only Association recognised by the Bombay Government (now Government of Maharashtra) under the Bombay Forward Contracts Control Act, 1947 for purposes of futures trading in bullion.

the latter part of the year, necessitating (i) the resort, in November 1959, to bye-law 33 A(3) under which the Board is empowered to impose special margins and (ii) more importantly, the adoption by the Board, later in the year, of measures to further tighten up the existing margin system through the amendment of bye-law 33 A and to provide relief to bears through the amendment of bye-law 33 D.

In early November, with jobbers going on strike as a protest against excessive bull speculation, forward trading came practically to a standstill for two days and the Bullion Board, with the approval of the Bombay Government, imposed, for the first time during the year under review, special margins against bulls under bye-law 33 A(3), in both the *Kartak* (November) settlement and the *Magsar* (December) settlement with exemption for initial purchases upto 50 bars in silver and 2,500 tolas in gold in both the settlements. This measure, however, had no appreciable effect on the market. Moreover, an anomalous situation had arisen when bears had been obliged to pay (under bye-law 33 D) automatic margins in a rising market on account of the prevalence of high *sidha budla** (contango). With a view to curbing the mounting bull pressure and giving some relief to bears, the Bullion Board submitted to the Government, on January 11, 1960, a number of proposals for amending the existing bye-laws. The principal amendment proposed sought to confer on the Board, powers to impose higher special margins under bye-law 33 A, while another amendment sought to raise the slab of the *sidha budla* at which bears would be obliged to pay automatic margins under bye-law 33 D. Pending the consideration of the proposals by the Government, special margins were imposed against bulls on January 25 in the *Maha* (February) settlement. On January 28, the Bombay Government approved the amendment to the bye-law 33 A empowering the Board to impose (subject to the prior approval of the Government of Bombay) special margins upto 50 per cent of the value per bar (2,800 tolas) of silver and per tola of gold. In terms of the amended bye-law 33 A, the Bullion Board imposed special margins against bulls in three successive settlements viz. *Fagan* (March), *Chautra* (April) and *Vaisakh* (May), at the following rates

	Price Range Rs	Rate of Margin Rs	Exemption Limit
Gold	Above 128 to 133	15 per tola	initial 1,000 tolas
	" 133 to 135	25 "	" 500 "
	" 135	50 " "	" 50 "
Silver	Above 210 to 216	750 per bar	initial 50 bars
	" 216 to 218	1,500 " "	" 25 "
	" 218	2,000 " "	" 25 "

The amendment to bye-law 33 D was also approved by the Government of Bombay on February 26, 1960, raising the slab of *sidha budla* (contango), at which bears would be obliged to pay margins, from Re 1 in silver and 50 nP. in gold to Rs. 1 50 in silver and 75 nP. in gold.

* Under Bye-law 33 D of the Bombay Bullion Association bears had to pay margins whenever the daily official closing rate of the current forward contract is quoted lower than the daily official closing rate of the next succeeding forward contract by a minimum of Re 1 per 100 tolas in silver and 50 naye Paise per tola in gold.

Mention may also be made of the further steep rise in prices which occurred after the close of the year under review, necessitating a series of stringent measures by the authorities to curb the rise. These measures included (i) the decision to impose under bye-law 33 D heavier margins in the *Vaisakh* settlement at Rs. 3,000 per bar in silver and Rs. 60 per tola in gold, (ii) a further tightening, on May 5, of the margin system, making the margins in the *Vaisakh* settlement, under bye-law 33 D, payable on the *total* long position instead of on the *net* outstanding position (*i.e.*, without offsetting sales against purchases), (iii) the imposition in the *Jeth* (June) settlement in silver of *special* margins on *net* outstanding purchases at Rs. 3,000 per bar in silver and Rs. 60 per tola in gold if the price exceeded Rs. 213 per 100 tolas in silver and Rs. 127 per tola in gold and (iv) finally, the assumption, on May 10, by the Government of Maharashtra, of powers to impose, on its own initiative, special margins upto the maximum limit laid down in bye-law 33 A (*i.e.*, upto 50 per cent of the value of the metals) in any contract if in the opinion of the Government, the conditions in the market were unhealthy for normal trading and were likely to involve members in great risk.

VII. PUBLIC FINANCE

General.—A feature of Government finances during recent years is the progressive decline in the combined overall deficit* of the Centre and the States from Rs 496 crores in 1957-58 to Rs 139 crores† in 1958-59 and further to Rs 113 crores‡ in 1959-60. In 1959-60, the Central Government's overall deficit amounted to Rs 97 crores as compared to Rs 149 crores in 1958-59; the deficit for 1959-60 was made up of an increase of Rs 131 crores‡ in the Reserve Bank's holdings of *ad hoc* Treasury bills, offset to the extent of Rs 34 crores by a rise in Centre's cash balances. The State Governments' overall deficit amounted to Rs 16 crores as against a surplus of Rs 10 crores in 1958-59, the deficit was comprised of a withdrawal of Rs 18 crores from cash balances, offset partly by repayment of Rs 2 crores of ways and means advances from the Reserve Bank.

The combined overall deficit of the Centre and the States for 1959-60 at Rs 113 crores was lower than that in 1958-59, due to a larger rise in receipts than the rise under expenditure. There was a substantially larger rise in 1959-60 under tax revenue and external assistance than in 1958-59. On the other hand, net market borrowings were lower than in 1958-59. The net collections under small savings showed only a small rise over the previous year.

For 1960-61, the overall budgetary deficit of the Centre and the States is placed at Rs 160 crores (Rs 154 crores for the Centre and Rs. 6 crores§ for the States). Receipts under external assistance are placed higher by Rs 95 crores at Rs 362 crores. Net receipts from market loans for the Central Government are estimated at Rs 141 crores which are higher than in 1959-60 (Rs 107 crores), the States have budgeted for a net market borrowing of Rs 45 crores, this amount, although lower than in 1959-60 (Rs 68 crores), is not final, as the actual amount and the number of States which may issue loans will depend upon the state of the gilt-edged market. Small savings receipts are placed higher by Rs. 6 crores at Rs 90 crores. As regards taxation, the Centre's budget for 1960-61 contains proposals estimated to yield Rs 24 crores (including States' share), the entire amount accruing from indirect taxation. In the field of direct taxation, apart from taking formal action to abolish from April 1, 1960 the Wealth Tax on companies and the tax relating to excess dividends, the tax proposals for 1960-61 envisage the implementation in its entirety.

* This has been derived by aggregating the increase in Government's floating debt held by the Reserve Bank and ways and means advances by the Bank to Government (now only to State Governments) with adjustment for variations in Government's cash balances. Thus is a reasonably reliable measure of budgetary deficit, though in analysing its impact on the money supply, account should be taken of the transactions in Government securities between the Government, the Reserve Bank and the commercial banks. In this connection, please see Chapter IV for an analysis of the factors causing variations in money supply.

† Not taking into account the funding of Rs 300 crores of Treasury bills in July 1958.

‡ Not taking into account Treasury bills of (1) Rs 150 crores funded in December 1959 and (2) Rs 18 crores created in connection with the purchase of gold for payment of additional subscription to the IMF.

§ Taking into account only the net change in cash balances.

of the new scheme of company taxation introduced in the budget for 1959-60, noticed in the last Report. As regards the States, only four out of fourteen, i.e., Jammu and Kashmir, Orissa, Rajasthan and Kerala have proposed additional taxation while three others, namely, Andhra Pradesh, Madras and Punjab have proposed tax concessions, these proposals together are estimated to yield a net additional revenue of about Rs 1 crore.

Plan Outlay and Resources.—The revised estimates of Plan outlay in the public sector for the year 1959-60 are placed at Rs 1,105 crores and budget estimates for 1960-61 at Rs 1,179 crores. However, after allowing for shortfalls in expenditure, judging from past experience the likely outlay for 1959-60 and 1960-61 is placed at Rs 1,006 crores and Rs. 1,080 crores, respectively, as compared to Rs 998 crores in 1958-59. On this basis, the total outlay in the public sector during the entire Second Plan period is likely to amount to Rs 4,600 crores. The Plan outlay and the pattern of its actual financing for the first three years and the likely position for the remaining two years are given in the table below. The financing of the Plan outlay for the five year period as a whole is estimated to be as under, the original estimates included in the *Second Five Year Plan* are also given for purposes of comparison.

Plan Outlay and Its Financing 1956-57 to 1960-61

	1956-57 (Actuals)	1957-58 (Actuals)	1958-59 (Actuals)	1959-60 (Likely actuals)	1960-61 (Likely actuals)	Total for the Second Plan period (1956-57 to 1960-61)	(Rs. crores) Original Plan target
I. Plan Outlay	634	882	998	1,006	1,080	4,600	4,800
II. Domestic Resources							
(a) Balance from current revenues (without taking into account additional taxation)	90	21	-39	-72	-100	-100	350
(b) Additional taxation	55	169	219	262	295	1,000	850*
(c) Railways' contribution	33	29	23	31	34	150	150
(d) Loans from the public	139	73	226	178	184	800	700
(e) Small savings	61	69	79	83	85	377	500
(f) Unfunded debt and miscellaneous capital receipts	-39	-70	137	127	43	198	250
Total (a+b+c+d+e+f)	339	291	645	609	541	2,425	2,800
III. External Assistance	42	98	217	270	376	1,000	800
IV. Total Resources Including External Assistance (II & III)	381	386	862	879	917	3,425	3,600
V. Deficit Financing	253	496	136	127	163	1,175	1,200
VI. Aggregate Resources (IV & V)/ Plan Outlay	634	882	998	1,006	1,080	4,600	4,800

* Including the uncovered gap of Rs 400 crores to be filled mainly through taxation.

Note. The figures given here are estimates of the Planning Commission and may differ somewhat from the figures given elsewhere in this Report.

The draft outline of the Third Five Year Plan was published by the Planning Commission on July 6, 1960, proposing an investment of Rs 6,200 crores in the public sector and Rs 4,000 crores in the private sector. Together with the current outlay of Rs. 1,050 crores, the total Plan outlay in the public sector is placed at Rs 7,250 crores. Please see appendix for a summary of the draft outline.

A. BUDGETS

Union Government

Revenue Account

General.—The trends in revenue and expenditure of the Central Government since 1950-51 are given in the table below—

	1950-51	1955-56	1951-56 Total	1956-57	1957-58	1958-59	1959-60 (Budget)	1959-60 (Revised)	1960-61 (Budget)	(Crores of Rupees)
Revenue (a)	405.8	481.2	2,232.6	563.2	673.4	670.2	687.6	746.2	825.1(b)	
Expenditure	346.6	440.7	1,983.0	473.8	631.3	675.5	746.7	761.6	885.5	
Surplus (+) or deficit (-)	+ 59.2	+ 40.5	+ 249.6	+ 89.4	+ 42.1	- 5.3	- 59.1	- 15.4	- 60.4	

(a) States' share of excise duties and other taxes is excluded.

(b) Including the effect of budget proposals, subsequent concessions are not taken into account.

1958-59 (Accounts).—The actuals for the year 1958-59 showed a deficit of Rs 5 crores, for the first time since 1948-49. This deficit, however, was substantially lower than the deficit of Rs 60 crores in the revised estimates, owing mainly to a rise of Rs 31 crores in revenue receipts to Rs. 670 crores and a fall of Rs. 24 crores to Rs 676 crores in expenditure, mainly under defence (Rs 16 crores) and development services (Rs 4 crores).

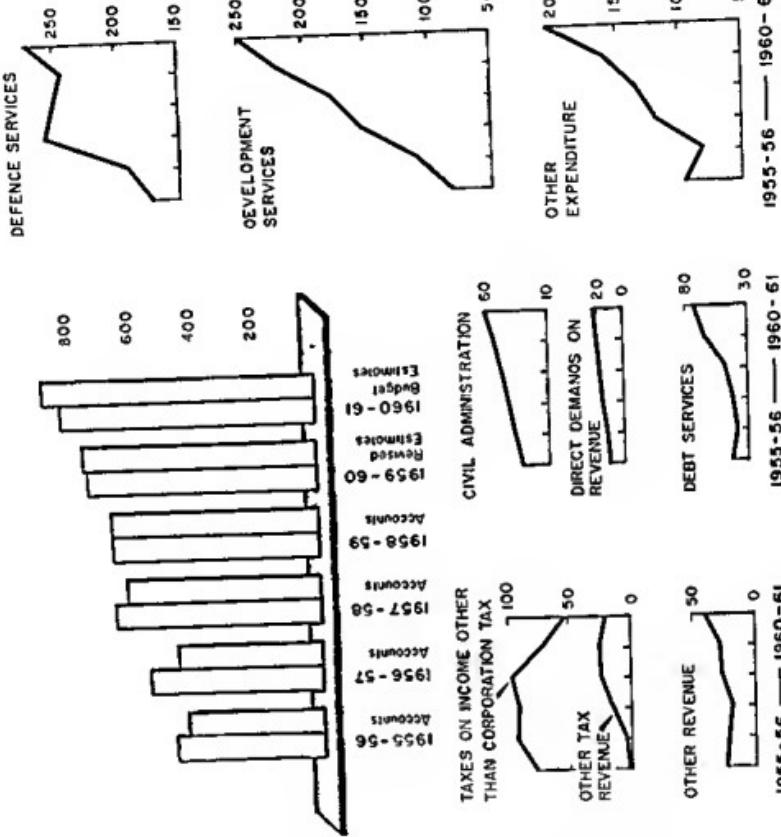
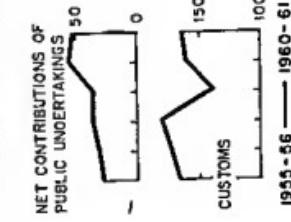
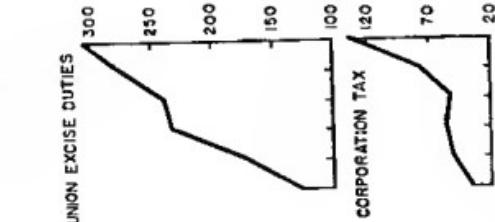
1959-60 (Revised Estimates).—The revised estimates for 1959-60 disclose a deficit of Rs 15 crores which is Rs 44 crores lower than the budget estimate (Rs. 59 crores). Revenue receipts were higher by Rs 59 crores at Rs 746 crores, while expenditure rose by only Rs 15 crores at Rs 762 crores. The bulk of the increase in revenue was accounted for by tax revenue mainly customs and Union excise duties (Rs 27 crores each). The increase under customs occurred mainly under import duties and was the result of increases in the additional duty levied on certain items during the year after the presentation of the budget for 1959-60 (referred to below) and larger imports of heavy chemicals, artificial silk yarn etc. The rise under excise reflected partly the effect of the expansion in industrial production during the year and partly the raising of excise duties on certain commodities. The increase in expenditure occurred mainly under development services (Rs 10 crores), debt charges (Rs 7 crores) and 'miscellaneous' (Rs. 7 crores), the increase being offset to the extent of Rs 13 crores by a fall in the grants under P.L. 480 transferred to the Special Development Fund.

FINANCES OF THE GOVERNMENT OF INDIA

REVENUE ACCOUNT
(CRORES OF RUPEES)

REVENUE

EXPENDITURE



Reference was made in the last year's Report to the tax proposals made in the 1959-60 budget and the subsequent changes made in these budget proposals. Later in the year, still further changes were made in excise and customs duties. The Central Excises and Salt Act, 1944 was amended so as to raise the excise duty on refined diesel oils, vaporising oils, diesel oils not otherwise specified, and furnace oils, and to impose excise duty on bitumen and asphalt equivalent to the import duty on them. The replacement of the import duty by excise duty followed the acceptance by the Government of India of the offer of the Burmah-Shell Refineries to surrender the duty protection to which the latter was entitled, for the unexpired period of the agreement, *i.e.*, six years from July 1, 1959. Also, the additional duties on kerosene, motor spirit and certain mineral oils were increased during the year and in some cases, the increases were given retrospective effect from April 1, 1959 under the Mineral Oils (Additional Duties of Excise and Customs) Amendment Act, 1959, consequent on the reduction in prices agreed to by the principal companies distributing mineral oil products in India.

At the same time, in order to encourage exports, rebate on customs and excise duties were granted in respect of materials used in the manufacture of cotton blankets, electric power distribution transformers and textile machinery. Rebate of excise duty on certain vegetable non-essential oils, exported on or after September 12, 1959, was enhanced from Rs. 104 to Rs. 110 per ton. The import duties on single cylinder fuel injection pumps and nozzle holders and component parts were also reduced from 60 per cent *ad valorem* to 25 per cent *ad valorem* in the case of each.

1960-61 (Budget Estimates).—On the basis of existing taxation, the budget estimates for 1960-61 place revenue and expenditure at Rs. 802 crores and Rs. 886 crores, respectively, leaving a deficit of Rs. 84 crores. The deficit would be reduced to Rs. 60 crores if account is taken of the tax proposals in the budget. As compared to revised estimates for 1959-60, both revenue and expenditure would show increases of Rs. 55 crores and Rs. 124 crores, respectively. Tax revenue accruing to the Centre at Rs. 677 crores (including the effect of budget proposals) shows a rise of Rs. 65 crores over the revised estimates for 1959-60. Receipts from Union excise duties are estimated to rise by Rs. 29 crores to Rs. 305 crores (excluding States' share). Receipts from income-tax (including Corporation tax) will be higher by Rs. 10 crores; —a decline of Rs. 47 crores (including States' share) under income-tax would be more than offset by an increase of Rs. 57 crores under Corporation tax. Under non-tax revenue, administrative receipts would show an improvement of Rs. 6 crores. Grants under P L 480 and interest receipts are estimated higher by Rs. 8 crores and Rs. 7 crores, respectively, than in 1959-60 (revised estimates).

Of the total rise of Rs. 124 crores in budgeted expenditure over the preceding year, defence expenditure accounts for Rs. 29 crores and civil expenditure for Rs. 95 crores, the latter reflecting, in part, the impact of Government's decision to implement the major recommendations of the Pay Commission. Other heads showing noticeable increases under civil expenditure are (1) development services (Rs. 32 crores), (2) debt services (Rs. 10 crores) and (3) 'miscellaneous' items (Rs. 34 crores).

The tax proposals for 1960-61 are estimated to yield additional Rs. 24.23 crores (of which Rs. 23.53 crores would accrue to the Centre). The entire amount would

come from indirect taxation, excise duties yielding Rs. 21.73 crores and customs duties Rs 2.50 crores. The particulars are as follows:

(a) **Changes in Union Excise Duties.**—These include adjustments of the rates of existing taxes as well as new levies on certain commodities. The major items on which new levies will be imposed include pig iron, tin plates, aluminium, internal combustion engines, electric motors, essential cycle parts, exposed cinematograph films and silk fabrics. Existing rates of taxes on refined diesel oil, electric fans, bulbs and batteries have been enhanced. The net effect of the changes proposed under excise duties, after allowing for the transfer of Rs. 70 lakhs to the States, is to increase the revenue accruing to the Centre by Rs. 21.03 crores, raising the excise revenue to Rs. 305 crores. The details are as follows:

Excise Duties	Estimated Yield (Rs. crores)
1 Duty of Rs. 200 per metric ton on tin plates and tin sheets	2.08
2 Duty of Rs. 500 per metric tonne on aluminium sheets and circles and of Rs. 300 per metric ton on aluminium ingots	0.86
3 Duty of Rs. 10 per metric ton on pig iron (pig iron used in the manufacture of steel will be exempted)	0.60
4 Duty of 10 per cent <i>ad valorem</i> on all types of internal combustion engines used as prime movers for transport vehicles. A lower rate of 5 per cent <i>ad valorem</i> on stationary types of these engines which are generally used in industry and for agricultural purposes	1.07
5 Duty on certain essential cycle parts	1.00
6 Duty on electric motors and their parts ranging from 5 per cent to 15 per cent <i>ad valorem</i>	0.46
7 Duty on exposed cinematograph films varying from 10 n.P. per metre to 50 n.P. per metre depending on type of films	0.75
8 Duty of 30 n.P. per square yard on silk fabrics	0.30
9 Duty ranging upto 15 per cent <i>ad valorem</i> on all types of motor vehicles	6.25
10 Enhancement by 25 n.P. per imperial gallon of the basic rate of excise duty on refined diesel oils	5.04
11 Duty of 15 per cent <i>ad valorem</i> on machine made soles and heels of footwear made of material other than leather or wood	0.20
12 In regard to textiles, the existing total exemption of fabrics produced from staple fibre yarn and cut-pieces of cotton textiles (fents) is to be removed. The former will be treated on par with artificial silk fabrics; small specific duties at levels substantially below the fabrics rates will be levied on the latter	1.95 (of which Rs. 65 lakhs will accrue to the States)
13 Enhancement by 50 per cent of the duty on electric fans, bulbs and batteries with a suitable increase in the duty on components	0.90
14 Other minor adjustments	0.27 (of which Rs. 5 lakhs will accrue to the States)

Further, with a view to alleviating the difficulties of the tea industry arising from the levy of a number of taxes at various stages by different agencies, the permissible maximum limit of excise duty is raised from 19 n.P. to 30 n.P. per lb. This, however, does not involve any change in the effective rate of excise duty.

(b) **Changes in Customs Duties.**—Besides the levy of countervailing import duties following the changes proposed in the excise duties, the import duties on wines, spirits and other alcoholic liquors are also increased. The additional yield from changes in customs duties will amount to Rs. 2.50 crores.

(c) **Changes in Company Taxation.**—Apart from taking formal action to abolish the Wealth Tax on companies and the tax relating to excess dividends from April 1, 1960, the tax proposals envisage implementation in its entirety of the new scheme of company taxation introduced in the budget for 1959-60. The rate of company taxation is fixed at 45 per cent, i.e., at the same level at which it was provisionally fixed last year for purposes of advance payment for the assessment year ending March 31, 1961; smaller companies with total income not exceeding Rs. 25,000 will continue to be assessed at a figure 5 per cent less.

As regards deduction of tax at source, the Finance Act, 1959 had prescribed the general rate of deduction of tax at source, on interest on securities, dividends, etc. received by Indian companies at 45 per cent (20 per cent income-tax and 25 per cent super-tax). For resident assessee other than companies, the rate prescribed was 30 per cent (25 per cent income-tax and 5 per cent surcharge). It is proposed to reduce the rate of deduction in the case of Indian companies also to 30 per cent (20 per cent income-tax and 10 per cent super-tax) so that the effective rate of tax deduction at source will be the same for all resident assessees including Indian companies. In order that this change may not affect revenue receipts, it is proposed to amend section 18-A of the Income Tax Act so as to enable Government to collect from Indian companies the remaining 15 per cent as advance tax on the dividends received by them.

In the case of dividends paid to preference shareholders who are entitled to a fixed rate of dividend free of tax, the tax to be deducted at source in terms of the existing section 18(3E) of the Income Tax Act, is computed on such an amount, as would, after deduction of a sum equal to 30 per cent thereof, be equal to the fixed rate of dividend. It is now proposed to delete Section 18(3E) so that companies will be free to decide the amount they should declare as dividends to the preference shareholders; out of the amounts so declared by the companies, deduction at source will have to be made as in the case of any other dividends, at the prescribed rates.

Some procedural changes have been introduced to give some relief to companies in respect of dividends distributed out of past taxed profits. On dividends paid in respect of the previous year relevant to the assessment year 1960-61 or a later year, a company will deduct tax at source and the benefit of 'grossing' will not be available to the shareholders. Where, however, the available income of the previous year in respect of which the dividend is paid is not sufficient to pay such dividend and the whole or a part of the dividend is paid out of profits charged to income-tax in the assessment year 1959-60 or earlier years, the company will be given a credit equal to 10 per cent of the dividends distributed out of past taxed profits. This credit will be given against the tax liability of the company on the profits of the previous year during which the dividend is paid. For this purpose, the dividends in respect of any

previous year shall be deemed first to have come out of the available profits of the previous year and the balance, out of the available profits of one or more immediately preceding years.

It is also proposed to give some relief* in respect of taxes on companies holding less than 50 per cent share in the capital of another company.

(d) **Changes in Income Tax.**—The following changes in income-tax are proposed: (1) extension of the period for which exemption is available under Section 15C of the Income Tax Act to new industrial undertakings by a further period of five years, (2) increase in the limit upto which donations for charitable purposes qualify for exemption from tax from 5 per cent of total income or Rs. 1 lakh, whichever is less, to 7½ per cent of total income or Rs 1½ lakhs, whichever is less, (3) deduction, in computing the taxable income from property, of the full amount of taxes levied by a local authority and borne by the owner in respect of properties constructed before 1st April 1950 as against half the amount of such taxes allowed at present and (4) taxation of business incomes of co-operative societies *other than those connected with agriculture, rural credit and cottage industries*, over an exemption limit of Rs. 10,000. Proposals under income-tax will not affect the revenue materially.

(e) **Changes in Expenditure Tax.**—These are comparatively of a minor nature and provide for exemption of expenditure incurred on leave travel in India as well as on education of children in India and for exempting in full the taxes paid by an assessee to a foreign Government instead of only a portion as at present.

(f) **Changes in Gift Tax.**—The amendment to the Gift Tax Act provides that the advance tax payable will be at the same rate as the tax payable on regular assessment.

Changes under Expenditure Tax and Gift Tax are not expected to have any significant effect on the revenue.

Subsequent Changes in the Tax Proposals.—The Finance Minister announced on April 20, 1960, some changes in the tax proposals, mainly to remove certain "genuine hardships". The net effect of the changes would be to reduce the additional yield by Rs 63 lakhs (Rs 49 lakhs under basic excise duty and Rs 14 lakhs under additional excise duty). These, in so far as they relate to indirect taxation, include (1) prescription of graduated rates of duty on a slab basis on exposed cinematograph films, the actual incidence depending upon number of prints, the effective rate of duty not exceeding 30 nP per metre, educational films, children's films and films not exceeding 9·5 mm in width have been exempted, (2) exemption of agricultural tractors from the excise duty proposed on internal combustion engines, (3) reduction of duty on medium-sized motor cars (*i.e.*, between 16 and 20 h p.) from Rs 3,000 to Rs 1,000 per car, (4) reduction in the compounded rates of duty on fabrics, the reduction depending upon the number of looms and shifts, (5) reduction by one-half of the duty on cycle parts for small producers, (6) reduction in excise duty on

* On dividends receivable by any company from an Indian company (not being a subsidiary company) formed and registered on or after 1st April 1959, the effective rate of super-tax otherwise payable has been reduced by 5 per cent in the case of an Indian company and 10 per cent in the case of a foreign company.

combustion engines and electric motors, produced by small-scale manufacturers, by 20 per cent on the first 100 H.P. and 10 per cent on the next 100 H.P. cleared in any calendar month provided the output in any one of the preceding 12 months does not exceed 300 H.P., (7) exemption from excise duty of aluminium ingots manufactured from scrap on which duty has been paid once, exemption from excise duty in excess of Rs. 200 per metric ton in respect of aluminium sheets and circles, manufactured from scrap and (8) raising of the ceiling limit for concessional slabs in respect of pulp boards. In the field of direct taxation, the modifications proposed related to taxation of co-operative societies, and these include (1) increase of basic tax-free limit on business income of co-operative societies (other than those connected with agriculture, rural credit and cottage industries) from Rs. 10,000 to Rs. 15,000 (2) exemption from tax of (i) incomes which are derived from the society's banking business and from the provision of credit facilities to the members and (ii) profits derived by a primary milk society and profits derived from processing of agricultural produce subject to some limitation, and (3) extension of the period of 'tax holiday' (under Section 15C of the Income Tax Act) to seven years in the case of industrial undertakings run by a co-operative society.

Mention may be made of the Estate Duty (Amendment) Act, 1960, which came into force on July 1, 1960. In pursuance of the resolutions passed by the State Legislatures concerned under Article 252 (2) of the Constitution, this Act makes the provisions of the Estate Duty (Amendment) Act, 1958* applicable to the levy of Estate Duty on agricultural lands in all the States except West Bengal, Orissa and Jammu & Kashmir. These three States are excluded since (1) the West Bengal Legislature had not adopted the principal Act in respect of Estate Duty on agricultural lands, (2) the Orissa Legislature had passed a resolution that the principal Act should not apply to agricultural lands in the State from April 1, 1959 and (3) the principal Act did not apply in respect of agricultural lands in Jammu & Kashmir and the *status quo* continues.

Capital Account.—A feature of the capital account is the progressive improvement recorded during the period 1958-59 to 1960-61 as a result of a substantial increase under receipts, mainly under external loans as well as internal loans. The deficit, which had touched a peak in 1957-58 at Rs. 545 crores, fell to Rs. 223 crores in 1958-59 and is estimated to fall further to Rs. 160 crores in 1959-60 (Revised). In 1960-61 (Budget) the deficit is expected to decline further to Rs. 93 crores. Capital receipts (excluding *ad hoc* Treasury bills) are estimated at Rs. 990 crores in 1960-61 as compared to Rs. 847 crores in 1959-60 (R.E.). External loans are placed higher by Rs. 103 crores at Rs. 331 crores, comprising Rs. 13 crores from the U.K., Rs. 161 crores from the U.S.A., Rs. 14 crores from Japan, Rs. 13 crores each from U.S.S.R. and West Germany, Rs. 6 crores from I.B.R.D. and Rs. 110 crores to be negotiated from other foreign sources. Total external assistance, in the form of loans and grants, is estimated at Rs. 362.44 crores as compared to Rs. 267.53 crores for 1959-60 (R.E.). Net receipts from market loans including receipts from the Prize Bonds, are

* The main change brought about by the Estate Duty Amendment Act was to reduce the exemption limit from Rs. 1 lakh to Rs. 50,000, other changes were minor.

placed at Rs. 141 crores as compared to Rs. 110 crores* for 1959-60 (R.E.) Net receipts from small savings are estimated at Rs. 90 crores as compared to Rs. 82 crores in 1959-60 (R.E.).

Excluding the adjustment in respect of transfer of capital assistance from the U.S. to the Special Development Fund, which is technically treated as an expenditure, the budget for 1960-61 provides for a total capital outlay of Rs. 371 crores which is higher by Rs. 26 crores than the revised estimates for 1959-60 If, however, the special transaction in 1959-60 arising from the payment of additional subscription to the I M F. is excluded, the capital outlay in 1960-61 would show a larger increase of Rs. 121 crores over the revised estimates for 1959-60; the increase is mainly accounted for by Railways, industrial development and State trading schemes Capital outlay on railways is expected to go up by Rs. 36 crores to Rs. 121 crores and that on industrial development by Rs. 31 crores to Rs. 95 crores, the increase under this item reflecting, in the main, additional investment in industrial undertakings in the public sector Net expenditure on State trading schemes is expected to show an increase of Rs. 17 crores, the net outlay on trading in foodgrains will show a rise of Rs. 19 crores Gross loans to State Governments would show a rise of Rs. 35 crores at Rs. 348 crores

State Governments

Revenue Account

General.—The consolidated budgetary position of States on revenue account since the reorganisation of States is shown in the table below

	1957-58	1958-59	1959-60 (R.E.)	(Rs. crores) 1960-61 (B.E.)
Revenue	714.2	816.6	888.1	944.6
Expenditure	684.4	768.3	864.6	938.9
Surplus (+) or Deficit (-)	+ 29.8	+ 48.3	+ 23.5	+ 5.7

1958-59 (Accounts).—The accounts for 1958-59 place revenue receipts higher than in the revised estimates by Rs. 17 crores at Rs. 817 crores and expenditure lower by Rs. 11 crores at Rs. 768 crores Consequently, the surplus was larger at Rs. 48 crores as compared to Rs. 20 crores in the revised estimates The increase in revenue was wholly under tax revenue which showed a rise of Rs. 19 crores to Rs. 537 crores; non-tax revenue was lower by Rs. 2 crores at Rs. 280 crores On the expenditure side, development expenditure[†] recorded a decline of Rs. 18 crores to Rs. 423 crores while non-development expenditure recorded an increase of Rs. 7 crores at Rs. 345 crores

1959-60 (Revised Estimates).—As compared to the budget estimates for 1959-60, the revised estimates indicated an increase of Rs. 41 crores in revenue to Rs. 888

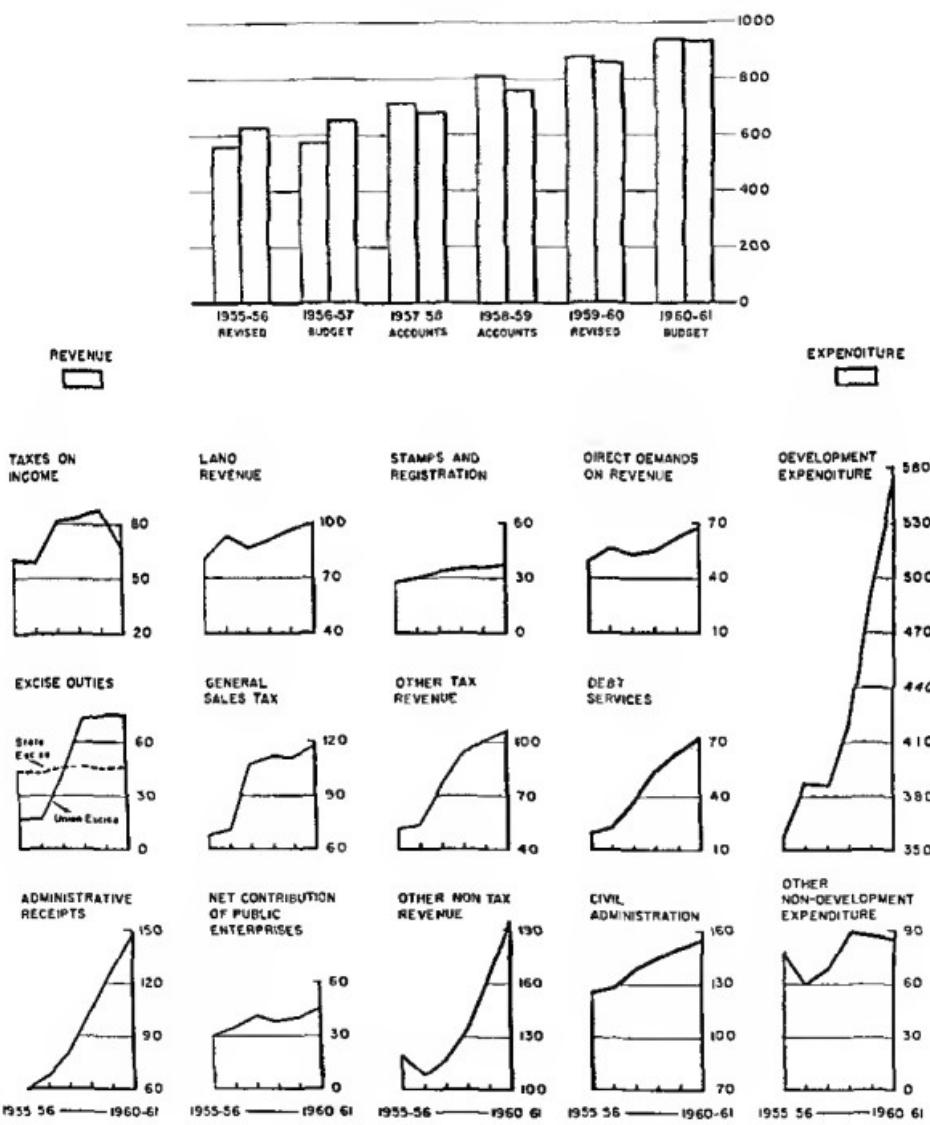
* A significant part of this was due to the investment of P.L. 480 counterpart funds by the State Bank of India, which should, in effect, be regarded as foreign aid

† Including Jammu & Kashmir

‡ Classified on the basis of broad budget heads

GRAPH 13

BUDGETARY POSITION OF STATE GOVERNMENTS
REVENUE ACCOUNT
CRORES OF RUPEES



crores and of Rs. 25 crores in expenditure at Rs. 865 crores. As a result, the budgeted surplus of Rs. 7 crores increased to Rs. 23 crores in the revised estimates. Tax revenue showed a rise of Rs. 19 crores to Rs. 554 crores and non-tax revenue of Rs. 22 crores to Rs. 334 crores. Receipts from sales-tax accounted for about half the increase in tax revenue. The rise in expenditure was accounted for by both the development (Rs. 12 crores) and non-development expenditure (Rs. 13 crores).

1960-61 (Budget Estimates).—The budget estimates for 1960-61 place both revenue and expenditure higher than in 1959-60 (R.E.) by Rs. 56 crores and Rs. 74 crores, respectively, at Rs. 945 crores and Rs. 939 crores, leaving a surplus of Rs. 6 crores. Taking into account the net effect of tax proposals, the surplus would be higher by about Rs. 1 crore. On the revenue side, the increase is entirely under non-tax revenue (including grants from the Central Government) which is estimated to increase substantially by Rs. 56 crores to Rs. 391 crores. Tax revenue shows no net change at Rs. 554 crores. The States' share of income-tax is lower by Rs. 19 crores at Rs. 60 crores, reflecting the effect of the changes in the corporate tax structure introduced in the Central budget for 1959-60, which became effective from 1960-61; the loss on this account is, however, made good by increased grants made available by the Centre to the States. As against the decline in the States' share of income-tax, there is an increase of Rs. 14 crores under taxes on commodities and services and of Rs. 5 crores under taxes on property and capital transactions. On the basis of existing taxation, seven States, namely, Andhra Pradesh, Assam, Bihar, Bombay, Jammu & Kashmir, Mysore and Punjab would show surpluses. Only four States, namely, Jammu & Kashmir, Orissa, Rajasthan and Kerala have proposed additional tax measures. The yield on account of the additional tax proposals is estimated at Rs. 65 lakhs for Rajasthan and Rs. 95 lakhs for Kerala in a full year, the yield in the case of Orissa and Jammu and Kashmir is not available. On the other hand, three States viz., Andhra Pradesh, Punjab and Madras have proposed tax concessions; these are estimated to cost Rs. 46 lakhs in the case of Andhra Pradesh and Rs. 9 lakhs in the case of Punjab; the cost in the case of Madras is not available. The tax proposals are as under:—

	<i>Estimated yield (Rs. lakhs)</i>
Jammu & Kashmir	
1. Introduction of a sales-tax at 5 per cent, chiefly on luxury goods	N.A.
2. Enhancement of the tax on diesel oil from 25 nP to 30 nP per gallon	N.A.
3. Enhancement of the tax on sale of automobiles from 3 per cent to 5 per cent	N.A.
Orissa	
Enhancement of levy on diesel oil	N.A.
Rajasthan	
1. Surcharge on land revenue	10
2. Changes in excise duties	7
3. Simplification of sales-tax rate structure	35
4. Amendment to the sales-tax law in order to enable the levy of purchase tax on certain commodities	6
5. Amendment to the Motor Spirits Taxation Act consequent on the introduction of metric system in the case of petrol	4
6. Changes in stamp and court fees	3
Total yield	65

	<i>Estimated Loss (Rs lakhs)</i>
Andhra Pradesh	
1 Suspension of special assessment on groundnuts and cotton for three years .. .	40
2 Reduction in the tax on sale of oil cake from 3 per cent to 2 per cent .. .	6
3 Exemption from tax of sales of cotton yarn consumed by handloom industry .. .	6
4 Exemption from tax of the purchase of oilseeds by Ghani owners if they are eligible for exemption from tax on sales of the produce of their Ghanes .. .	6
Madras	
Exemption from sales-tax of certain items—vegetables, potatoes, fruits, betel, plantain leaf, flowers eggs meat, fish, oil from country chekkus and green leaf tea .. .	N A
Punjab	
Abolition of Electricity duty in the case of industrial concerns which have installed their own generators for production of power for their own use .. .	9
Total Loss .. .	55

As regards Kerala, that State Government which, in their original proposals presented in March 1960, had asked for only a vote of grants for four months, has since presented their revised proposals in June; the tax proposals, which are estimated to yield Rs. 95 lakhs (net), are as under:—

	<i>Estimated yield in a full year (Rs. lakhs)</i>
1 Increase of Plantation Tax from Rs 2 to Rs 10 per acre. The tax is applicable to rubber, coffee, tea, cardamom, coconut, arecanut and pepper plantations of over five acres; the first two acres would be exempt from the increase in the tax .. .	70
2 Increase in the sales tax on bicycles from 2 per cent multi-point to 5 per cent single point and on paints, powder, scents and lubricating oils from 2 per cent multi-point to 6 per cent single point .. .	13
3 Increase in the surcharge on sales tax collected from merchants having a turnover of not less than Rs 30,000 annually from 2½ per cent to 5 per cent .. .	15
4 Relief under agricultural income-tax; for agricultural income-tax, the minimum tax limit is proposed to be raised from Rs. 3,000 to Rs. 3,600 and, for the first income slab, the tax is to be compounded at a lump sum of Rs 75 .. .	— 3
Total net yield .. .	95

Mention may also be made of the decision by Rajasthan to abolish Agricultural Income Tax with effect from April 1, 1960 as with the resumption of Jagirs and fixation of ceilings on land holdings there are little prospects of appreciable revenue from this tax. It may be recalled that the Orissa State had proposed the levy of (1) water rates and (2) a unified cess on land in the budgets for 1958-59 and 1959-60 and taken credit for additional yield under these heads in the budgets of these years. However, pending the enactment of necessary legislation, the measures could not be

given effect to. As regards the former, the Orissa Irrigation Act has since been passed and a credit of Rs. 15 lakhs under water rates has been taken in the budget for 1960-61. As regards the latter, the Bill to levy a consolidated cess which was proposed to be introduced last year, is still pending; it is proposed to introduce the Bill in the current year; credit for Rs. 10 lakhs has been taken in the budget under land revenue on account of cess on land. In addition to these, Orissa has also taken credit for additional yield on account of certain taxation measures introduced in the course of 1959-60. These include (1) taxation of Keodu (bir) leaves, (2) conversion of sales tax on rice into a purchase tax, (3) imposition of a purchase tax on paddy and (4) removal of certain goods from the list of articles exempted from sales tax. The yield from the taxation of Kendu leaves in 1960-61 is estimated at Rs. 40 lakhs while the yield from the other measures together with that from the proposed increase of tax on diesel oil, is estimated at Rs. 23 lakhs.

State Governments' total expenditure on revenue account in 1960-61 at Rs. 939 crores shows a rise of Rs. 74 crores over the revised estimates for 1959-60. This increase reflected mainly the stepping up of the provision for Plan expenditure on revenue account and partly the commitments on account of payment of increased emoluments to Government servants. Total development expenditure on revenue account rose by Rs. 57 crores to Rs. 556 crores and non-development expenditure by Rs. 17 crores to Rs. 383 crores.

Capital Account

1958-59 (Accounts).—The revised estimates for 1958-59 had placed the deficit on capital account at Rs. 35 crores. The actuals for the year disclosed a still higher deficit of Rs. 43 crores. This was due to larger fall of Rs. 75 crores to Rs. 392 crores in receipts, while disbursements declined by Rs. 67 crores to Rs. 435 crores.

1959-60 (Revised Estimates).—For 1959-60, the budget estimates had placed receipts and disbursements at Rs. 490 crores and Rs. 503 crores, respectively, leaving a deficit of Rs. 13 crores. In the revised estimates, disbursements showed a sharp rise of Rs. 46 crores to Rs. 549 crores, while receipts showed a rise of only Rs. 20 crores to Rs. 510 crores. Consequently, the deficit widened to Rs. 39 crores. Larger receipts from market loans and larger scale of Central assistance contributed mainly to the increase in the receipts. The rise of Rs. 46 crores in disbursements was mainly accounted for by (1) loans and advances by the States, (2) repayments of Central loans and (3) non-development expenditure.

1960-61 (Budget Estimates).—With receipts estimated higher by Rs. 60 crores at Rs. 569 crores and disbursements higher by Rs. 33 crores at Rs. 582 crores, the capital account for the year 1960-61 shows a smaller deficit of Rs. 13 crores as compared to Rs. 39 crores in 1959-60 (R.E.). The rise in capital receipts is mainly under loans from the Centre, which are placed higher by Rs. 27 crores at Rs. 342 crores. Deposits and advances are estimated to show a rise of Rs. 20 crores to Rs. 62 crores and permanent debt by Rs. 6 crores to Rs. 84 crores. On the disbursements side, total capital outlay is estimated lower by Rs. 40 crores at Rs. 257 crores. However, if the formal adjusting item in the U.P. Budget for 1960-61 relating to the transfer of assets to the State Electricity Board is excluded, capital outlay would show an

increase of Rs. 29 crores. Loans and advances by State Governments are placed higher by Rs. 66 crores at Rs. 221 crores; but excluding the adjustment in the U.P. Budget (mentioned above), loans and advances would show a decline of Rs. 3 crores to Rs. 152 crores. Discharge of permanent debt is placed higher by Rs. 14 crores at Rs. 21 crores.

Railway Budget.—The trends in railway finances reveal a larger growth under receipts than under expenditure and despite an increase in the dividend payment to General Revenues on account of the growing capital-at-charge, the surplus available to the railways has shown a steady rise.

Gross traffic receipts which amounted to Rs. 390 crores in 1958-59 would rise to Rs. 422 crores in 1959-60 (R.E.) and further to Rs. 451 crores in 1960-61 (B.E.), on the basis of existing level of fares and freights; taking into account the proposed levy of a supplementary charge of 5 nP. per rupee with effect from April 1, 1960 (referred to below), gross receipts for 1960-61 would be still higher at Rs. 465 crores. Total working expenses have shown a relatively smaller increase, rising from Rs. 331 crores in 1958-59 to Rs. 353 crores in 1959-60 (R.E.) and to an estimated Rs. 389 crores in 1960-61. Consequently, the net revenue has increased from Rs. 59 crores in 1958-59 to Rs. 69 crores in 1959-60 (R.E.) and would go up to Rs. 76 crores (after taking into account the proposed levy of a supplementary charge). The surplus available to Railways, after payment of dividend to General Revenues, increased from Rs. 9 crores in 1958-59 to Rs. 15 crores in 1959-60 (R.E.) and is estimated to rise further to Rs. 18 crores. The capital expenditure of Railways was substantially lower at Rs. 196 crores in 1959-60 (R.E.) as compared to Rs. 245 crores in 1958-59; it is estimated at Rs. 223 crores in 1960-61. As regards the reserve funds of Railways, the total of outstanding balances in the Revenue Reserve Fund, Depreciation Reserve Fund and the Development Fund are expected to decline from Rs. 104 crores in 1958-59 to Rs. 86 crores in 1959-60 (R.E.) and further to Rs. 71 crores by the end of 1960-61. In fact, the Development Fund closed with a negative balance in 1958-59 despite a loan of Rs. 11 crores from the General Revenues in that year. The budget for 1959-60 also provided for a loan of Rs. 11 crores; this provision has been raised to Rs. 15 crores in the revised estimates in view of the decline in net surplus in 1959-60 (Revised). Provision for a similar loan of Rs. 8 crores has been made in the budget estimates for 1960-61 also.

With a view to meeting the increasing commitments of the Railways (including the decision to implement the recommendations of the Pay Commission),* the Railway Minister proposed the levy, with effect from April 1, 1960, of a supplementary charge of 5 nP. per rupee (5 per cent) on goods and coal traffic excluding export ores, military, postal and Railways' own traffic. The estimated yield from this levy is placed at Rs. 14 crores. It may be recalled that, following the recommendations of the Railway Freight Structure Enquiry Committee, freight charges had been raised with effect from October 1, 1958 by only 4 per cent, as against an overall increase of 13 per cent recommended by the Committee.

* The cost of implementing these recommendations, covering payments for the period July 1, 1959 to March 31, 1961, is estimated at Rs. 20 crores, and provision for this has been made in the 1960-61 budget.

B. PUBLIC DEBT

Union Government

General.—The interest-bearing obligations of the Government of India rose by Rs. 604 crores from Rs. 4,964 crores* at the end of 1958-59 to Rs. 5,568 crores at the end of 1959-60; they are expected to rise further by Rs. 733 crores to Rs. 6,301 crores by the end of 1960-61. External obligations stood at Rs. 610 crores at the end of 1959-60, showing a rise of Rs. 239 crores over 1958-59 and of Rs. 469 crores over 1955-56. Of the external obligations at the end of 1959-60, all but Rs. 13 crores represented loans comprising dollar loans (Rs. 375 crores), loans from U.K. (Rs. 77 crores), loans from West Germany (Rs. 80 crores), loans from U.S.S.R. (Rs. 56 crores) and loans from other countries (Rs. 9 crores). The internal obligations aggregated Rs. 4,593 crores at the end of 1958-59 and Rs. 4,958 crores at the end of 1959-60, showing a rise of Rs. 365 crores over the year; they are estimated to rise further by Rs. 430 crores to Rs. 5,388 crores at the end of March 1961.

The Union Government floated in July 1959 two cash-cum-conversion loans for a total of Rs. 175 crores, namely, (i) 3½ per cent Bonds, 1969 at an issue price of Rs. 98·85 per cent (yielding to redemption 3·64 per cent) and (ii) 4 per cent Loan, 1979 issued at par. The maturing issues offered for conversion into these new loans were the 3 per cent Second Victory Loan, 1959-61 and the 2½ per cent Hyderabad Loan, 1954-59 which were accepted, respectively, at Rs. 100 per Rs. 100 (nominal) and Rs. 85·50 for Rs. 85·71 or O.S. Rs. 100 (nominal). Total subscriptions (including conversions) to the new issues amounted to Rs. 184 crores of which Rs. 103 crores were for the 3½ per cent Bonds, 1969 and Rs. 81 crores for the 4 per cent Loan, 1979. Cash subscriptions amounted to Rs. 94 crores—Rs. 78 crores for the 3½ per cent Bonds, 1969 and Rs. 16 crores for the 4 per cent Loan, 1979. In October 1959, the Government created two further issues (for a total of Rs. 45 crores) viz., (1) 3½ per cent Bonds, 1969 for Rs. 25 crores at Rs. 99·40 per cent and (2) 3¾ per cent Loan, 1974 for Rs. 20 crores at Rs. 99·65 per cent, the entire amount of both of which was initially taken up by the Reserve Bank on its own investment account to be made available for sale to the market subsequently. In addition, Treasury bills held by the Reserve Bank in the Issue Department of the value of Rs. 150 crores were funded in December 1959 into further issues of 3½ per cent Bonds, 1969 (Rs. 10 crores), 3½ per cent Bonds, 1962 (Rs. 20 crores), 3½ per cent National Plan Bonds (Second Series), 1965 (Rs. 50 crores), 3½ per cent National Plan Bonds (Third Series), 1967 (Rs. 30 crores) and 3½ per cent Loan, 1968 (Rs. 40 crores). Net borrowings of the Union Government during 1959-60, after taking into account cash repayments on account of the 3 per cent Second Victory Loan, 1959-61 (Rs. 28 crores) and the 2½ per cent Hyderabad Loan, 1954-59 (Rs. 5 crores), would amount to Rs. 107 crores as compared to Rs. 181 crores in 1958-59.

The budget for 1960-61 provides for gross market borrowing of Rs. 250 crores (including receipts from Prize Bonds). The net borrowing, after taking into account cash repayments of Rs. 109 crores, would be Rs. 141 crores. On July 18, 1960, the Central Government floated two loans for a total amount of Rs. 175 crores, viz.

* The figures given here are based on revised estimates for 1958-59 and 1959-60. Actuals in respect of certain items are given later.

(1) 3½ per cent Bonds, 1966 at an issue price of Rs 99.75 per cent and (2) 4 per cent Loan, 1980 at an issue price of Rs 99.90 per cent. Conversion facilities were offered in respect of (1) 2½ per cent Loan, 1960, (2) 4 per cent Loan, 1960-70 and (3) 2½ per cent Hyderabad Loan, 1955-60. Total subscriptions amounted approximately to Rs. 180.30 crores, of which cash subscriptions constituted Rs. 106.05 crores.

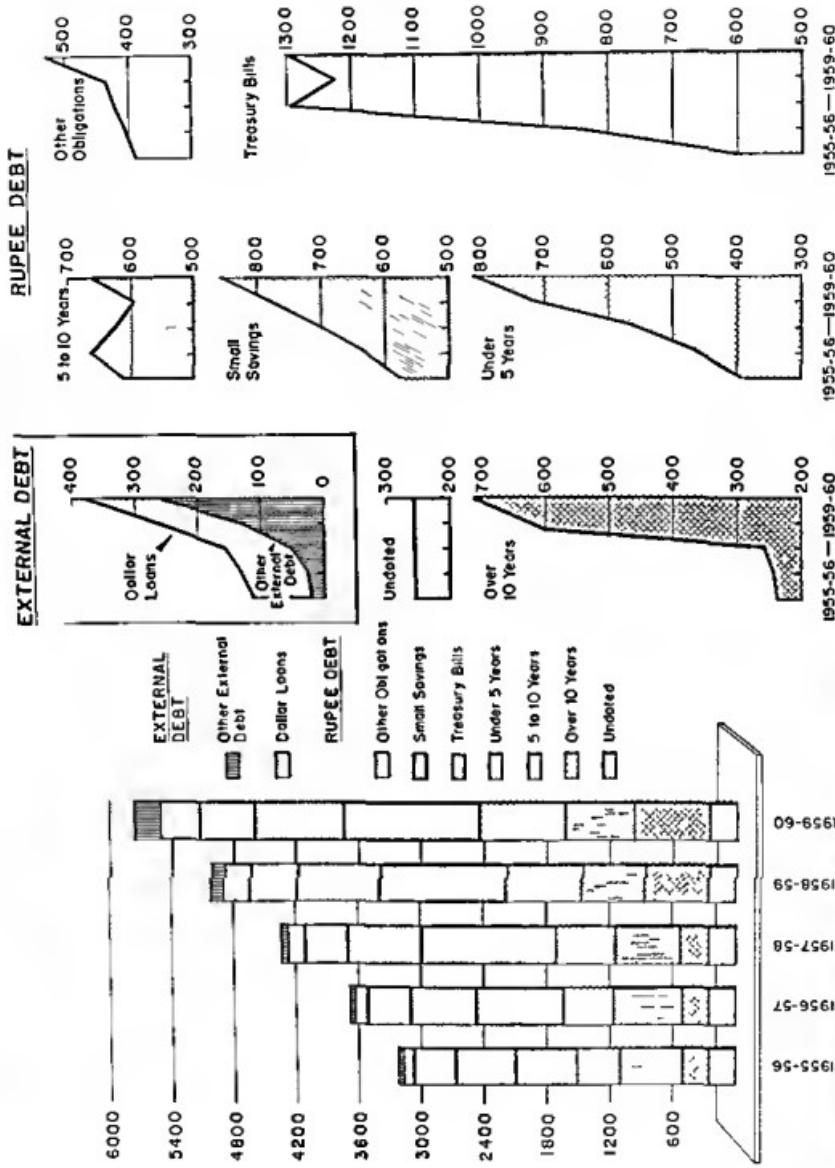
An event during the year was the decision announced by the Finance Minister in his budget speech to issue Prize Bonds. Accordingly, with effect from April 1, 1960, the Government of India issued five-year interest-free bearer Prize Bonds in denominations of Rs. 100 and Rs 5. The holders of the bonds will participate in quarterly drawal of prizes, which will be free of income-tax. The total number of prizes to be awarded quarterly will be 40 in respect of each series of 1 lakh units of Rs. 100 Bonds, the prizes ranging between Rs 25,000 and Rs. 500. In the case of Rs. 5 Bonds, the number of prizes to be awarded every quarter, for each series of 10 lakh units, will be 278, the prize amounts ranging between Rs 7,500 and Rs 50. Total amount of tax-free prize money quarterly, in each series of one lakh pieces of Rs. 100 bonds will be Rs 92,000 and in the case of 10 lakh pieces of each series of Rs 5 Bonds, Rs 46,000. Lots will be drawn on 1st June, 1st September, 1st December and 1st March every year, the first draw to be held on 1st September 1960 and the last draw on the 1st March 1965. Each Bond sold will be eligible for participation in all the draws held after the expiry of two calendar months from the month of its sale. It may also be mentioned here that 50 per cent of the receipts from Prize Bonds would be allotted to the States and the rest would be retained by the Centre.

Interest-yielding assets of the Government of India amounted to Rs 4,535 crores at the end of March 1960, representing an increase of Rs 536 crores over the year and constituted four-fifths of the total interest-bearing obligations. There were increases of Rs. 375 crores in loans to States, of Rs 43 crores in investment in commercial concerns, of Rs 98 crores in capital advanced to Railways and of Rs. 20 crores in capital advanced to other commercial departments. During 1960-61, interest-yielding assets are estimated to show a further sharp rise of Rs. 596 crores to Rs. 5,131 crores.

Composition of Debt.—At the end of March 1960, the total rupee debt (comprising total interest-bearing obligations *minus* deposits and external debt *plus* balances of special floating and expired loans) amounted to Rs. 5,123 crores as compared to Rs. 4,624 crores at the end of March 1959. Of this Rs. 5,123 crores, debt in the form of rupee loans accounted for Rs. 2,438 crores or 48 per cent, Treasury bills for Rs 1,298 crores (25 per cent) and small savings for Rs. 857 crores (17 per cent). The maturity pattern of rupee loans* in 1959-60 as compared to 1958-59 shows only minor variations. The proportion of loans maturing over 10 years went up from 28 to 29 per cent. Loans with a maturity below 5 years and between 5 and 10 years continued to form 33 per cent and 27 per cent, respectively, of the total rupee loans. As the total of rupee loans has increased while the outstanding of undated securities remained unchanged, the proportion of undated securities to total further declined from 11.8 per cent at the end of 1958-59 to 10.6 per cent at the end of 1959-60.

* Classified on the basis of earlier date of maturity.

**DEBT POSITION (PRELIMINARY) OF THE GOVERNMENT OF INDIA
CRORES OF RUPEES**



During 1959-60, the outstanding Treasury bills increased by Rs. 72 crores to Rs. 1,298 crores* as against a decline of Rs. 70 crores in 1958-59. If the funding of Rs 150 crores of Treasury bills in December 1959 and the creation of Rs 18 crores of Treasury bills for purchase of gold for payment of India's additional subscription to the I M F are excluded, there would have been a rise of Rs 204 crores in 1959-60 as compared to a rise of Rs 230 crores in 1958-59 (after excluding the funding of Rs 300 crores of Treasury bills in July 1958) Treasury bills held by the Reserve Bank at Rs 1,020 crores at the end of March 1960 showed a nominal decline of Rs 1 crore over the year, but excluding the special transactions mentioned above, the Reserve Bank's holdings would show an increase of Rs. 131 crores as compared to a rise of Rs. 132 crores in 1958-59. The investment of State Governments and other approved bodies which had risen by Rs 73 crores to Rs 178 crores in 1958-59 went up by another Rs 73 crores to Rs 251 crores by the end of March 1960. Total net sales of Treasury bills (including intermediates) to the public during 1959-60 amounted only to Rs 70 lakhs as compared to Rs 25.5 crores during 1958-59.

Small Savings.—Net receipts from small savings in 1959-60 are provisionally placed higher at Rs 84 crores† as compared to Rs 80 crores in 1958-59. During the first four years of the Second Plan, net realisation on account of small savings would amount to about Rs 294 crores which works out at an annual average of Rs 74 crores as against the annual (average) target of Rs 100 crores fixed for the Second Plan. The slow rise in small savings receipts in the last few years is mainly due to a fall in the receipts under post office savings bank deposits. Net receipts from post office savings bank deposits, which had amounted to Rs 37 crores in 1955-56, declined to Rs. 29 crores in 1956-57 and further to Rs 17 crores in 1957-58. Subsequently, it showed a small recovery of Rs 4 crores to Rs 21 crores in 1958-59; for 1959-60, net receipts are provisionally placed at Rs 27 crores †.

A number of steps were taken in 1959-60 also to promote the small savings movement. A new pay-roll scheme was introduced for the benefit of employees in large establishments, factories, etc providing for deductions to be made from the wages, with the consent of the employees, for investment in small savings. A commission of 1 per cent on investment in National Savings Certificates and of $\frac{1}{2}$ per cent on Treasury Savings Deposits Certificates secured through the scheme is allowed to the employers to meet the cost of collection or, alternatively, to be used for the general benefit of the employees. The limit (Rs 50,000) for investments of balances of Provident Fund in Treasury Savings Deposits Certificates was removed in July 1959. With effect from October 1, 1959, scheduled and co-operative banks were authorised to receive subscriptions for the Treasury Savings Deposits Certificates on a brokerage of 12 nP. per cent. In order to enable small investors to take advantage of the Annuity Certificates scheme, 15-year Annuity Certificates with a new denomination of Rs. 1,330 securing a monthly payment of Rs 10 for a period of 15 years was introduced with effect from January 2, 1960. A number of steps were also taken on the organisational side. With a view to securing greater co-ordination and more intensive effort on the part of the two non-official agencies which advise the Government of India in regard to the small savings movement, namely, (I) the Central

* Actual increase based on Reserve Bank data. † Including accrued interest

Savings Advisory Committee at the Centre and State Savings Advisory Committee at each State and (2) the Women's Savings Campaign with a Central Advisory Board and State Advisory Boards, it was decided to amalgamate the two bodies and to constitute a single board with adequate representation for women workers. Accordingly, at the Centre, (1) the Central Savings Advisory Committee and (2) the Central Advisory Board of the Women's Savings Campaign were reconstituted on September 1, 1959 into a single Board, *viz.*, the National Savings Central Advisory Board consisting of 14 representatives of State Advisory Boards, 6 members to be nominated by the Central Government to give representations to various interests, and 2 official members. Like-wise, in each State, (1) State Savings Advisory Committee and (2) the State Advisory Board of the Women's Savings Campaign were re-organised and reconstituted as a single Advisory Board. With a view to rationalising the various agency systems for the sale of savings certificates, it was decided to replace the existing agency systems by one system, *viz.*, the Standardised Agency System, which would be introduced shortly; the existing system would, however, continue along with the new system for a period of one year as a stop-gap arrangement. As considerable difficulties were experienced by Treasury Officers in checking claims for commission submitted by the authorised agents and also since some of the Treasuries are not easily accessible, particularly in the rural areas, it was decided to transfer the responsibility for the payment of commission to authorised agents, from the Treasuries to the post offices.

During the year 1959-60, the States were granted Rs. 53 crores as loans from the total collections of small savings as against Rs. 45 crores granted during 1958-59.

Government Balances and Ways and Means Advances.—During 1959-60, cash balances of the Government of India with the Reserve Bank and at Government Treasuries showed an increase of Rs. 34 crores to Rs. 69 crores as compared to a net decline of Rs. 13 crores to Rs. 34 crores in 1958-59.

The Central Government has not resorted to ways and means advances since 1943-44.

State Governments

Debt Position.—During 1959-60, the gross debt of the States increased further by Rs. 339 crores to Rs. 2,421 crores as compared to a rise of Rs. 302 crores in 1958-59. The rise was mainly on account of loans from Central Government which recorded a rise of Rs. 246 crores to Rs. 1,822 crores. Permanent debt (comprising market loans and certain other categories of debt like Zamindari Abolition Compensation Bonds, Encumbered Estate Act Bonds) also increased by Rs. 75 crores (to Rs. 417 crores) as compared to a rise of Rs. 59 crores in 1958-59. Other debt, including loans from National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, loans from National Co-operative Development and Warehousing Board, loans from Khadi and Village Industries Board, Employees' State Insurance Corporation etc., showed an increase of Rs. 9 crores at Rs. 38 crores. Floating debt (comprising ways and means advances, borrowings from commercial banks, etc.), however, declined by Rs. 1.2 crores (to Rs. 25 crores) as compared to a decline of Rs. 0.4 crore in 1958-59.

State Loans.—During 1959-60, all the States except Jammu & Kashmir entered the market for loans for an aggregate amount of Rs 63.50 crores. All the loans were with a maturity period of 12 years and carried a coupon rate of interest of 4 per cent. All the loans were cash loans, excepting the Madras Loan which was a cash-cum-conversion loan, the maturing 3 per cent Madras Loan, 1959 (with an outstanding amount of Rs. 1.24 crores), having been offered for conversion into the new loan at par. Excepting the Bombay Loan which was issued at par, the other loans were offered at discounts ranging from 25 nP. to a rupee. The redemption yield ranged from 4.03 per cent to 4.11 per cent. All the loans were oversubscribed, total subscriptions against the total offer of Rs. 63.50 crores, amounting to Rs 102.38 crores. The total subscriptions accepted amounted to Rs 69.45 crores, of which Rs 57 lakhs represented conversions. Net borrowing of States, after allowing for cash repayments of the maturing Madras Loan (Rs. 71 lakhs) and the 3 per cent Bhavnagar State Bonds, 1960 (Rs 14 lakhs), amounted to Rs 68.03 crores.

Balances and Ways and Means Advances.—During 1959-60, the average month-end cash balance of State Governments with the Reserve Bank and at Government Treasuries was lower at Rs 19.91 crores as compared to Rs. 20.66 crores for 1958-59. At the end of 1959-60, States had a *minus* balance of Rs. 14.2 crores, as against a *plus* balance of Rs 4.2 crores at the end of 1958-59. The annual average of weekly figures of ways and means advances by the Reserve Bank worked out lower at Rs 26 crores in 1959-60 as compared to Rs 28 crores for 1958-59. The amount of outstanding ways and means advances at the end of 1959-60 was also lower at Rs 7.55 crores as compared to Rs 9.55 crores at the end of the preceding year.

VIII. BALANCE OF PAYMENTS

General.—India's international payments position in 1959-60 recorded a further improvement, the loss of foreign exchange reserves being only Rs. 16 crores as compared to Rs. 42 crores in 1958-59 and against the much heavier drafts of Rs. 260 crores in 1957-58 and Rs. 221 crores in 1956-57. The reserves would, in fact, have shown a rise of Rs. 26 crores in 1959-60 but for the payments to the I.M.F., involving Rs. 42 crores, in connection with the gold part of our increased subscription to, and the purchase of rupees held by, that institution. The improvement in reserves in 1959-60 in spite of a smaller inflow of external assistance and the absence, as in the previous year, of any special receipts like accelerated receipts from the U.K. under pensions annuities, was accounted for mainly by the drastically reduced level of imports which, at Rs. 924 crores, were the lowest in the Second Plan period. A feature of the movements in reserves was that they started going up even before the seasonal rise in exports commenced, and fell only following the repurchase in February 1960 of Rs. 24 crores from the I.M.F. At the end of March 1960, the reserves (including gold) stood at Rs. 363 crores as against Rs. 379 crores a year ago. However, there has since been some deterioration in the payments position, the reserves falling to Rs. 323 crores at the end of June 1960.

Overall and Quarterly Position.—The overall position of balance of payments during 1957-60, together with the position in the four quarters of 1959-60, is set out in the table below—

India's Overall Balance of Payments

(Rupees Crores)

	April-June 1959	July-Septem- ber 1959	October-Decem- ber 1959	January-March 1960	1959-60 (Preliminary)	1958-59	1957-58
Imports c.i.f.							
(a) Private	133.8	124.0	118.6	130.9	507.3	504.8	696.2
(b) Government	109.0	106.3	79.8	121.3	416.4	524.8	537.4
Total Imports (a + b)	242.8	230.3	198.4	252.2	923.7	1,029.6	1,233.6
Exports f.o.b	136.1	149.7	181.1	156.4	623.3	575.9	594.1*
Trade Balance	-106.7	-80.6	-17.3	-95.8	-300.4	-453.7	-639.5
Non-monetary gold movement (net)	—	—	+ 5.9	—	+ 5.9	—	—
Official Donations	+ 8.4	+ 12.6	+ 8.2	+ 6.4	+ 35.6	+ 34.4	+ 34.1
Other Invisibles (net)	+ 21.9	+ 16.0	+ 24.9	+ 15.3	+ 78.1	+ 91.7	+ 104.0
Current Account (net)	- 76.4	- 52.0	+ 21.7	- 74.1	- 180.8	- 327.6	- 501.4
Errors and Omissions	- 9.8	- 0.9	- 10.4	- 0.1	- 21.2	- 21.7	- 9.8
Official Loans	+ 38.3	+ 45.7	+ 47.5	+ 54.0	+ 185.5	+ 218.6	+ 115.1
Other Capital Transactions (net)	+ 25.3	+ 2.7	- 23.1	- 4.5	+ 0.4	+ 88.4	+ 136.2
Movement in Foreign Exchange Reserves (increase + decrease -)	- 22.6	- 4.5	+ 35.7	- 24.7	- 16.1	- 42.3	- 259.9

* For convenience, transactions relating to repatriation to the U.S. of lend-lease silver valued at Rs. 74.4 crores have been excluded from this as well as from other tables in this Chapter.

In all the quarters barring the third, the reserves fell, but the draft in the first quarter alone reflected the results of ordinary transactions, the second and the fourth involving extraordinary payments of Rs. 11 crores and Rs. 24 crores, respectively. There was distinct improvement in the trade balance in 1959-60 over the preceding three years of the Second Plan. Due to normal seasonal factors, the merchandise account improved in the second half of the year, but it is interesting to note that the improvement in the second and the third quarters stemmed from lower imports in both these quarters and the usual rise in exports in the third. Indeed, exports at Rs. 181 crores during October-December reached the highest quarterly level recorded in the Second Plan period. In the succeeding quarter, they earned Rs. 25 crores less. Throughout 1959, imports declined, though they rose rather sharply in the first quarter of 1960. In the result, the draft on reserves in 1959-60 was smaller than in 1958-59, in spite of lower current invisible receipts, a reduced inflow of external assistance and the extraordinary payments to the I M F. mentioned earlier.

Regional Trends.—The substantial reduction in the current account deficit reflected the improvement in the payments position with all the major currency areas except the sterling area, the deficit with which trebled over the year. The sharpest improvement occurred in respect of transactions with countries comprising the rest of non-sterling area, which resulted in the transformation of the 1958-59 deficit of Rs. 60 crores into a surplus of Rs. 25 crores, though invisibles brought in Rs. 2 crores less. Imports from this area fell by Rs. 57 crores to Rs. 136 crores; capital goods accounted for Rs. 51 crores of this fall, reflecting mainly the completion of the Bhilai steel project, and miscellaneous goods Rs. 15 crores. At the same time, exports rose by Rs. 31 crores to Rs. 151 crores, with cotton manufactures, oilcakes, jute manufactures, hides and skins and miscellaneous commodities recording higher earnings.

Regional Surplus (+) Deficit (-)

(Rupees Crores)

	April-June 1959	July-September 1959	October-Decem- ber 1959	January-March 1960	1959- 60 (Prelim- inary)	1958- 59 (Revised)	1957- 58
Sterling Area	- 20.7	- 23.3	+ 11.9	- 25.3	- 57.4	- 19.0	- 71.8
Dollar Area	- 19.2	- 10.7	+ 14.7	- 27.3	- 42.5	- 81.3	- 122.1
OEEC Countries	- 27.2	- 24.3	- 22.4	- 32.1	- 106.0	- 167.3	- 255.8
Rest of Non-Sterling Area	- 9.3	+ 6.3	+ 17.5	+ 10.6	+ 25.1	- 60.0	- 51.7
Total	- 76.4	- 52.0	+ 21.7	- 74.1	- 180.8	- 327.6	- 501.4

The deficit with the dollar area was almost halved over the year from Rs. 81 crores to Rs. 43 crores primarily because of a better trade balance; receipts from official donations and other invisibles showed only marginal changes over the year. Exports to this area (principally cotton and jute manufactures) rose by Rs. 13 crores to Rs. 118 crores. There was a larger fall of Rs. 18 crores to Rs. 227 crores in import payments, railway stores accounting for the bulk of the decline.

With the O.E E.C. countries, there was a reduction of Rs. 61 crores to Rs. 106 crores in the current account deficit because of an improvement by a slightly larger amount in the trade balance with this area. Exports rose by about Rs. 9 crores to Rs. 60 crores, hides and skins and oilcakes accounting for a rise of Rs. 4 crores each. Simultaneously, imports fell by Rs. 53 crores to Rs. 161 crores; capital goods accounted for Rs. 43 crores of this fall and miscellaneous goods Rs. 12 crores. Invisible payments (net) rose by Rs. 1½ crores to Rs. 6 crores.

Higher imports, lower invisible receipts and reduced exports contributed in that order to the significant worsening of India's current account position with the sterling area. Whereas imports from all other areas declined, those from the sterling area rose by about 6 per cent to Rs. 401 crores. Mineral oils, food and communication stores were principally responsible for the rise. Again, while exports to the other areas attained higher levels, the sterling area's intake, at Rs. 295 crores, was 2 per cent less than in the previous year, tea recording a fall of Rs. 8 crores. Invisible receipts fell by Rs. 9 crores to Rs. 48 crores, the decline being largely explained by lower transportation and insurance receipts following reduced level of exports to this area, and higher payments in respect of income on investments. In the result, the current account deficit soared from Rs. 19 crores to Rs. 57 crores.

Pattern of Trade.—A feature of India's trade during 1959-60 was the sharp reduction in the net payment in respect of merchandise trade from Rs. 454 crores in 1958-59 to Rs. 300 crores, this development was wholly responsible for the improvement in the overall payments position. As in the previous year, the reduced trade deficit was associated with a lower level of trade but the fall in trade was only about one-fourth of that in 1958-59. Export receipts rose by Rs. 47 crores during the year, wholly because of the increase in volume. Import payments fell by Rs. 106 crores, entirely on account of the reduction of Rs. 108 crores in Government imports, aided by a small decline in import prices.

Exports.—Exports at Rs. 623 crores were higher by Rs. 47 crores than in 1958-59 and by Rs. 29 crores than in 1957-58, but lower by Rs. 12 crores than in 1956-57. The impact of the recessionary tendencies abroad, which had affected India's performance in the previous two years, had worked itself off by this year. Moreover, the various export incentive schemes introduced since 1958 started yielding dividends this year, particularly in the case of vegetable oils, oilseeds and cotton textiles. The export performance was further aided by the withdrawal of Chinese competition to Indian cotton textiles in the U.K. and South East Asia, and of a sudden rise in Chinese demand for our jute manufactures. The trade with rupee payments agreement countries continued to grow and helped the overall export performance; hides and skins, jute manufactures and tea were the major beneficiaries.

Commodity-wise, the largest gains over the year were recorded by cotton manufactures (Rs. 18 crores), hides and skins (Rs. 16 crores), oilcakes (Rs. 11 crores), and vegetable oils and oilseeds (Rs. 10 crores). Raw cotton and tea, on the other hand, registered a fall of Rs. 8 crores each.

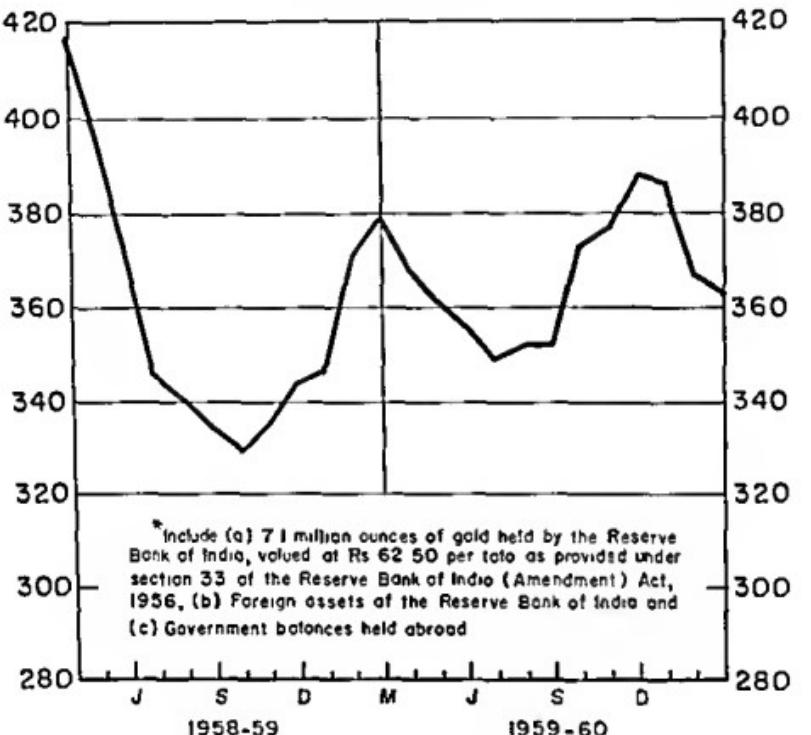
Cotton manufactures were helped to reach the 1956-57 level of Rs. 80 crores by very smart rises of about Rs. 6 crores each in the demand from the U.K. and the

GRAPH 15

INDIA'S FOREIGN EXCHANGE RESERVES*

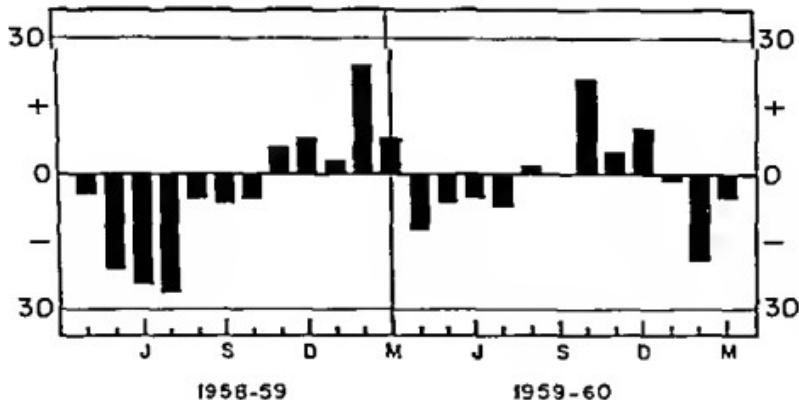
As at the end of the month

Crores of Rupees



*Include (a) 71 million ounces of gold held by the Reserve Bank of India, valued at Rs 62.50 per troy ounce as provided under section 33 of the Reserve Bank of India (Amendment) Act, 1956, (b) Foreign assets of the Reserve Bank of India and (c) Government balances held abroad

MOVEMENT IN RESERVES



Sudan and by increase in the offtake by some of the countries in East Asia where, as also in U.K., Chinese competition had diminished. The substantial rise of 55 per cent in exports of raw and tanned hides and skins was the result of larger offtake by the U.K., Germany and some of the East European countries. Exports of oilcakes, which have a good demand abroad as cattle fodder, doubled over the year on larger quotas being allotted for exports on the basis of increases secured in exports of vegetable oils. Under the spur of this incentive, vegetable oils also moved up in the same proportion. Jute manufactures, at Rs 111 crores, earned Rs 5 crores more than in the preceding year, while Argentina, Australia and the U.K. lifted lower quantities this year, the U.S.A., China and Canada increased their purchases. Receipts from metallic ores rose by Rs. 4 crores to Rs 32 crores. Exports of manganese ore fell over the year, for although there was a higher demand both from the U.K. and Japan, this was more than counter-balanced by reduced offtake by the U.S.A., which had a long drawn out steel strike, and by other markets which presumably received larger supplies from the U.S.S.R. On the other hand, other metallic ores, principally iron ore, registered a sharp rise from Rs. 14 crores in 1958-59 to Rs 20 crores in 1959-60, the whole of which was accounted for by Japan. Tea fared badly compared to the previous year, though its earnings were still about Rs 10 crores better than in 1957-58. This was mainly the result of London taking less from us, even while it bought more from East Africa and China. The fall in the exports of raw cotton, as also the rise in its imports, is attributable to a poor crop at home.

Imports.—India's import bill in 1959-60, at Rs 924 crores, was lower by Rs 106 crores than in 1958-59 and by Rs. 310 crores than the record level of Rs. 1,234 crores in 1957-58. Unlike in the last year, the decline was brought about by a fall in Government imports, private imports having risen marginally. With the restrictive import policy in force since mid-1957, private imports of most goods other than mineral oils, raw cotton, vehicles, chemicals and metals other than iron and steel continued to decline. Imports of raw materials rose in consonance with the higher level of industrial activity recorded during the year.

Government Imports.—The sharp fall of Rs 108 crores in Government imports was concentrated in the non-food sector. Food imports rose slightly (by Rs 3 crores) to Rs 155 crores due to larger purchases of rice from Burma and higher P.L. 480 shipments. In the non-food sector, both development and non-development imports recorded a decline. Lower utilisation of external assistance was associated with a sharp decline in imports of machinery and railway stores, while the substantially lower imports of iron and steel reflect a rise in domestic production of iron and steel.

Invisibles excluding Official Donations.—Net receipts from invisibles continued their declining trend this year, notwithstanding a progressive rise recorded in receipts under 'Government not included elsewhere'. The latter rose by Rs. 11 crores to Rs. 41 crores due to larger U.S. Embassy expenditures out of P.L. 480 funds and reimbursements in respect of freight on P.L. 480 shipments. But this rise was more than wiped off by the fall in net receipts from the remaining invisible items except income from investment, the net payments under which recorded a smart rise owing to a further decline in Reserve Bank of India's foreign assets and increased payments for servicing the country's rising external debt. There was little change in

the remaining components of the current invisibles, most of them registering a small decline over the previous year.

Official Donations.—During 1959-60 receipts of official donations at Rs. 35 crores were Rs. 1 crore higher than in the previous year. The contribution of Colombo Plan countries at Rs. 19 crores was higher by Rs. 7 crores, Canada being the principal donor. Grants from the U.S.A. under Titles II and III of P.L. 480 and 665 continued to remain around Rs. 6 crores.

Capital Transactions.—During the year under review net capital inflow recorded an appreciable fall of Rs. 121 crores to Rs. 186 crores. In 1958-59 and 1957-58, net inflows amounted to Rs. 307 crores and Rs. 251 crores respectively. With a much smaller current deficit of Rs. 202 crores (including a net payment of Rs. 21 crores on account of 'errors and omissions'), the inflow during the year took care of the greater part of the deficit, the draft on reserves, as mentioned earlier, amounting barely to Rs. 16 crores. Transactions in the official sector alone were responsible for the reduction in the year's receipts. In the private sector, there was a smaller net outflow of Rs. 6 crores as against that of Rs. 16 crores in the previous year, principally due to reduced repatriation of accumulated profits as also to larger drawings by firms enjoying round-sum-remittance facilities. The banking sector received more funds, the net receipts having doubled over the year to Rs. 8 crores. In the official sector, on the other hand, net receipts were considerably lower than in 1958-59, mainly due to special payments as a result of the repurchase of rupees from, and an increase in our subscription to, the I.M.F. Official loan receipts recorded a fall of Rs. 33 crores from Rs. 219 crores in 1958-59 to Rs. 186 crores in 1959-60. This decline reflected a fall of Rs. 104 crores in our drawings on the I.B.R.D. loans and on the Rourkela and Bhilai credits, offset to the extent of Rs. 71 crores by an increase in the utilisation of the D.L.F., Eximbank, E.C.G.D. and Second West German credits.

External Assistance.—Total aid in the form of loans and P.L. 480 credits authorised during the year under review amounted to Rs. 463 crores[†] as compared with Rs. 472 crores authorised during 1958-59. Following the Washington Conference of the I.B.R.D. and friendly countries in March 1959, additional aid by the I.B.R.D. and by the Governments of the U.S.A. and the U.K. totalling Rs. 221 crores was authorised in 1959-60, thus included Rs. 142 crores under the P.L. 480 programme. The Governments of West Germany and Japan also promised further aid for financing the foreign exchange deficit in the last two years of the Second Plan. In addition, nearly Rs. 242 crores was authorised during the year under review by other friendly countries, viz., the U.S.S.R. (Rs. 200 crores), Czechoslovakia (Rs. 23 crores) and Yugoslavia (Rs. 19 crores). The whole of this amount, except Rs. 21 crores from the U.S.S.R. was, however, earmarked for use in the Third Plan period.

A significant development in the sphere of external assistance was the growing recognition on the part of other nations of India's foreign exchange needs and their willingness to assist in the financing of India's development. The Report of the Three

[†] Including authorisations of (i) Rs. 179 crores from the U.S.S.R., (ii) Rs. 23 crores from Czechoslovakia and (iii) Rs. 19 crores from Yugoslavia earmarked for use in the Third Plan period.

Bankers who visited India in February 1960 at the request of the World Bank, recommended, *inter alia*, that a substantial proportion of the external assistance to India should be extended on a Government to Government basis and in the form of grants or loans not made on strictly commercial terms in order to avoid an intolerable strain on the balance of payments.

Total foreign aid authorised during the first four years of the Second Plan period amounted to Rs 1,337 crores; ** including a carry over of Rs 191 crores from the First Plan period, the total assistance available for use amounted to Rs 1,528 crores. Of this Rs. 852 crores or 56 per cent comprised loans while P L. 480 and P L. 665 assistance accounted for nearly one-third viz. Re 488 crores which was received in the form of agricultural commodities, mainly foodgrains (Table below)

	(Rupees crores)				
	Undisbursed balance at the end of First Plan	Authorised between April 1956 and March 1960**	TOTAL (1 + 2)	Estimated utilisation between April 1956 and March 1960	Undisbursed amount at the end of March 1960**
	1	2	3	4	5
1. Loans*					
(a) Repayable in foreign currency	87.0	621.5	708.5	441.0	267.5
(b) Repayable in rupees*	25.1	117.9	143.0	82.0	61.0
Total 1	112.1	739.4	851.5	523.0	328.5
2. Grants	67.1	121.2	188.3	154.1	34.2
3. P L. 480 and 665 aid (Gross)	11.8	476.1	487.9	357.6	130.3
Total (1 to 3)	191.0	1,336.7	1,527.7	1,034.7	493.0

N.B.—The figures of grants, loans, etc given here do not tally exactly with those given in the balance of payments table on page 80 because of differences in sources, coverage, etc.

* Excluding loans out of P L. 480 and 665 balances

** Excluding authorisations of (i) Rs 179 crores from the U.S.S.R., (ii) Rs 23 crores from Czechoslovakia and (iii) Rs 19 crores from Yugoslavia earmarked for use in the Third Plan period.

Of the total aid of Rs 1,528 crores comprising authorisations during the first four years of the current Plan and the undisbursed amount at the end of the First Plan, Rs 1,035 crores or more than two-thirds was utilised, leaving an undisbursed balance of Rs 493 crores at the close of March 1960, of this, loans accounted for Rs 329 crores. The utilisation of total aid was considerably lower in 1959-60 (Rs 294 crores) as compared to that in the preceding year (Rs. 343 crores).

The purposewise distribution of foreign loans excluding credits earmarked for use in the Third Plan period (Table below) shows that over one-third of loans authorised (Rs 336 crores) was for several industrial projects while Rs 274 crores was for the steel plants and for import of steel for other projects. Loans earmarked for

transport development totalled Rs 172 crores, of which Rs. 143 crores was for railways. The bulk of the loans authorised for steel and steel projects and for transport was utilised by the end of March 1960.

(Rupees crores)

Purpose of Loans	Aid available for utilisation after March 1956	Estimated utilisation between April 1956 and March 1960	Undisbursed amount as at the end of March 1960
	1	2	3
1 Steel and Steel Projects . . .	274 0	225 9	48 1
2 Transport			
(a) Railway Development . . .	143 0	111 1	31 9
(b) Ports " "	20 5	2 9	17 6
(c) Airways " "	8 0	8 0	—
Total 2	171 5	122 0	49 5
3 Power Projects	40 8	20 9	19 9
4 Industrial Development . . .	336 4	138 6	197 8
5 Iron ore Project	13 3	—	13 3
6 Wheat Loans	15 7	15 7	—
Total Loans	851 5*	523 0	328 5*

* Excluding credits totalling Rs 221 crores earmarked for use in the Third Plan period

N.B.—Individual items will not add up to totals because of rounding differences

The purposewise distribution given here is not comprehensive

Details of loanwise and countrywise breakdown of aid are shown in Statement 87 and of purposewise distribution in Statement 88

After March 1960, additional assistance of Rs 678 crores was authorised. Of this, Rs 607 crores came from the U.S.A. for the supply of agricultural commodities under the P.L. 480. The remaining amount of Rs 71 crores was in the form of loans extended by the U.S.A. from the Development Loan Fund (Rs 43 crores), Poland (Rs 14 crores) and West Germany (Rs 14 crores).

Developments in Exchange Control.—In the field of exchange control, the changes made during 1959-60 were designed (i) to meet the situation arising from the further move by several countries abroad in the direction of full convertibility and (ii) to remove the loopholes in the existing regulations. The main changes thus made are given below:

(1) Consequent on the withdrawal of Iraq from the sterling area, regulations governing payments to, and from, that country were amended appropriately and the non-resident rupee accounts of banks resident in Iraq were designated as 'convertible accounts' with effect from June 26, 1959.

(2) The terms of settlement for trade transactions agreed to with the Government of the United Arab Republic were revised with effect from August 1, 1959 to provide

for all trade with Egypt to be invoiced only in Indian rupees. Proceeds of Egyptian cotton imports would be utilised for payment for Egypt's imports of tea and jute goods and other commodities as may be further agreed between the two governments and also for repayment of loan. Under the previous agreement, payment for some of our exports was accepted in Egyptian pounds, and proceeds of our exports of tea and jute manufactures were utilised to pay for our imports of Egyptian cotton.

(3) In September 1959, Bulgaria, Czechoslovakia, Hungary, Rumania and Yugoslavia were included in the 'Bilateral Account' group which already included the U.S.S.R., East Germany, Poland, the U.A.R. and Afghanistan. All financial transactions between India and countries covered by the bilateral agreements would be conducted on a non-convertible rupee basis and rupee balances held by banks resident in these countries would not be transferable to any other country or convertible into any foreign currency.

(4) A 'Limited Payments Agreement' was concluded with Pakistan on December 3, 1959 to cover for one year exchange on a non-convertible rupee basis of a few specified commodities with specific monetary ceilings. This was substituted on March 21, 1960 by another agreement, which increased the values of commodities from Rs. 2 crores to Rs. 4.1 crores and extended the validity of the agreement till March 20, 1962. All transactions under the agreement would be routed through a special account opened by the National Bank of Pakistan with the State Bank of India at New Delhi and styled 'National Bank of Pakistan Clearing Account A'.

(5) As a necessary sequel to the introduction last year of special rupee notes for circulation in the Persian Gulf area and simultaneous withdrawal of facilities available to overseas banks for repatriation of ordinary Indian bank notes purchased from travellers from India, a limit of Rs. 75 per person was imposed with effect from December 10, 1959 on the amount of ordinary rupee notes that may be brought in by travellers. Earlier, such restriction applied only to travellers from the Portuguese territories in India.

(6) On December 17, 1959, the Chief Controller of Imports and Exports announced that all 'soft currency' import licences (other than those issued under the Capital Goods and Heavy Electrical Plants Schemes and restricted to specified countries) would be valid for imports from the dollar area also upto 100 per cent of their face value. Authorised dealers in foreign exchange were accordingly permitted to open letters of credit and make remittances against 'soft currency' licences for imports of dollar area origin. Earlier these could be used only upto 50 per cent of their value for imports from the dollar area. The measure eliminates whatever little currency discrimination existed previously against imports of dollar origin.

(7) It was announced on February 9, 1960 that insurance cover for non-marine insurance risks on assets owned by Indian residents could be arranged in any currency instead of, as previously, only in rupees, sterling or the currency of the country in which the assets were located.

(8) From March 1960, Indian nationals (including persons of Indian domicile) emigrating to any country outside India are allowed to transfer sums not exceeding Rs. 50,000 per family unit at the time of departure. Assets in excess of Rs. 50,000 are

blocked and no remittances permitted from them, though the income earned on these is remittable in full. Earlier there were ceilings of Rs. 75,000, Rs. 1,25,000 and Rs. 2,00,000 per family emigrating to the dollar area, the other non-sterling area and the sterling area respectively. The new regulations, while generally tightening up the capital remittances, removed at the same time the discriminating features in controls on export of resident capital.

Trade Policy.—Trade policy during the year was characterised by increasing emphasis on export promotion. In addition to the normal objective of maintaining industrial activity generally at a high level, import control policy was also aimed at stimulating exports through the institution of export incentive schemes.

The main developments in import policy during the year were (i) increase in the number of items licensable to actual users by 28 in the first half-year and by 23 in the second, (ii) permission to certain industries to import raw materials on an annual basis, so as to facilitate the planning of purchases in advance at advantageous prices; (iii) certain measure of relief to the consumer in the form of token quotas for items which had been under ban since the commencement of the restrictive import policy in 1957-58, e.g., watches, time-pieces and musical instruments; (iv) larger allocation of foreign exchange for raw materials and accessories and to some extent machinery and capital equipment, to the export industries; and (v) introduction, in October 1959, of a special licensing category for capital goods under which import of capital equipment would be licensed against additional exports. In mid-December 1959, currency discrimination in respect of imports from the dollar area were eliminated so that all soft currency area licences were thenceforth allowed to be utilised for imports from the dollar area upto the full face value of the licence instead of only 50 per cent or Rs. 5,000 whichever was more as hitherto. Imports of capital goods are, however, restricted to the country or countries indicated on the licence.

In regard to exports, there was an intensification of the promotional efforts which might be broadly grouped into (i) incentive schemes, (ii) fiscal reliefs, (iii) relaxation of controls and (iv) conclusion of trade agreements.

Incentive schemes which provide for the grant of licences for the import of raw materials and accessories, and in some cases machinery and capital equipment, against exports (past and prospective) of the finished product, were formulated during the year in respect of woollen goods, vanaspati, canned fish and ship-repairing industries. The scheme for art-silk, which was suspended in March 1959 owing to the large-scale abuse of incentives, was revived in a modified form in July 1959. As regards the engineering goods, the scheme of granting allotments of raw materials was widened. The scheme for cotton textiles, which was first formulated for the half year October 1958-March 1959, was strengthened and expanded. The scheme now covers items like mosquito nets, cotton bags, pillow cases, ready-made garments and hosiery in addition to those originally included. The categories of exporters eligible under the scheme have also been enlarged to cover manufacturers and exporters of these items as well as mills whose cloth had been utilised for manufacturing them. The incentive scheme for the export of films was modified to cover parties having no export performance to their credit, but have entered into firm

export contracts; the scheme also provides for the utilisation of the import entitlements in respect of raw film for the import of photographic negatives, studio equipment, etc., within the prescribed limits. The tin plate/steel sheet scheme for the supply of these items to exporters, whose products are exported in containers of tin plates or steel sheets, was extended to several other industries. The scheme for the export of groundnut and salad oils which allowed, as incentives, additional export quotas of groundnut oilcake (expeller variety) against groundnut and salad oil exports, was continued during the year. The details of these schemes are given in Statement 76B.

A number of fiscal reliefs in the form of refunds of taxes (viz., customs and Central excise duties) paid earlier on the materials and components used in the manufacture of the finished product for export were announced. Similarly, the burden of the transport cost in moving the goods from the interior to the port of shipment was reduced by allowing rebates on freight in respect of commodities like manganese ore and certain engineering items. Concessions were granted to the tea gardens in Cachar and Tripura in regard to the fertiliser and transport costs (*vide* Statement 76C).

Existing restrictions on a number of export commodities were relaxed. Thus, tinned butter, barrow and hand-cart tyres, imported paper and paste board and H.P.S. groundnut-in-shell, hitherto under ban, were allowed for export; larger quotas were granted in respect of linseed oilcake, H.P.S. groundnut kernels and groundnut oil, items like silk waste, khandsari molasses and certain items of wild life were decontrolled, and a long term policy covering the period upto 1962 (instead of the half-yearly and even shorter term policy announcements made hitherto) was announced in respect of a number of vegetable non-essential oils, oilseeds and oilcakes, vanaspati, green coconuts, cigarette paper, etc., in order to assure continuity of supplies to foreign customers. As against these, restrictions had to be imposed on raw goatskins and *nux vomica* seeds in view of the acute internal shortages of these items.

Trade agreements with foreign countries were also employed as an instrument for stepping up exports during the year. Agreements entered into with some of the West European countries by the Indian Government Trade Delegation envisaged the establishment of joint economic commissions composed of the representatives of the two countries which would, *inter alia*, help expand India's exports to these countries (*vide* Statement 84).

Some of the institutions set up in recent years have also endeavoured to intensify export promotion effort. Thus, the State Trading Corporation concluded special agreements for the export of tobacco and sea salt to Japan; in addition, its agreements with the foreign trade organisations in a few other countries stipulated, among other things, purchases by those organisations of Indian goods equivalent to their sales under these agreements. It also successfully introduced a number of new export items in foreign markets, like shellac, groundnut kernels and crude drugs. The Export Risks Insurance Corporation effected a downward readjustment in premium rates by about 10 per cent on an average. It also decided to liberalise the conditions

governing the whole turnover with a view to assisting parties exporting traditional goods to new markets. Exporters of traditional goods could now approach the Corporation with proposals covering their exports to selected markets only instead of all the markets as hitherto. During 1959-60, the Corporation issued 250 policies undertaking maximum liability for Rs 7 56 crores as against 176 policies and a maximum liability for Rs 6 83 crores in the preceding year. The All-India Handicrafts Development Corporation also introduced a scheme of credit facilities to exporters of handicrafts.

Trade Agreements.—During the year, trade agreements were concluded with several countries while those with a few others were extended or modified. The agreements, extensions and modifications were aimed at correcting the imbalance in India's bilateral trade in addition to opening up new markets for her exports.

Fresh agreements were concluded with Afghanistan, Bulgaria, Chile, East Germany, France, Italy, Jordan, Pakistan, Poland, Rumania, Switzerland and Yugoslavia. Of these, the agreements with Bulgaria, Chile, East Germany, Poland, Rumania and Yugoslavia would be valid for three years; that with Pakistan for two years while those with Afghanistan, France and Jordan would be valid for one year. No validity period was indicated in respect of the agreement with Switzerland. The agreements with France, Jordan and Switzerland were concluded for the first time in recent years.

The agreements with China, Greece, Hungary,* Indonesia and Viet Nam were extended for further periods on the expiry of the existing agreements with those countries. Of these, the agreement with China was renewed till the end of December 1959 only.

As a result of these changes as well as the non-renewal of agreements with Austria, Ethiopia, Finland, Japan and Norway, the total number of India's trade and payments agreements with foreign countries would be twenty-four.^t

From the point of view of the substantive provisions, the agreements (fresh or modified) might be grouped into (1) those with the East European countries, (2) those with the West European countries and (3) others. The agreements with the East European countries stipulated that payments between India and the partner countries would be in non-convertible Indian rupees as in the case of the agreements with the U.S.S.R., Poland and East Germany concluded in November 1958. The agreements with the West European countries, which were signed by the Indian Government Trade Delegation, as mentioned earlier, seek to correct the existing disequilibria in mutual trade due to larger imports from these countries into India, by actively promoting larger offtake of Indian goods by these countries. For this purpose, joint economic commissions consisting of the representatives of India and

* A fresh agreement valid for three and a half years and operative from July 1, 1960 was concluded with Hungary in June 1960.

^t These are: (1) Afghanistan, (2) Bulgaria, (3) Burma, (4) Ceylon, (5) Chile, (6) Czechoslovakia, (7) Egypt, (8) France, (9) Germany East, (10) Germany West, (11) Greece, (12) Hungary, (13) Indonesia, (14) Iraq, (15) Italy, (16) Jordan, (17) Pakistan, (18) Poland, (19) Rumania, (20) Sweden, (21) Switzerland (22) USSR, (23) Viet Nam and (24) Yugoslavia.

the partner country were proposed to be constituted in respect of each of these countries. The communique issued by the Belgian Government after the talks with the Indian Trade delegation also aimed at the institution of similar arrangements.

The agreement with Pakistan provided for the exchange of goods between the two countries on a self-balancing basis within a ceiling of Rs 4 crores each way, in addition to the normal trade between the two countries. The special arrangements with the U A R. (Egyptian region) and Burma provided for the payment in Indian rupees for imports of Egyptian cotton and an additional 1.5 lakh tons of Burmese rice respectively, these rupees would be available mainly for the purchase of Indian goods. The year also witnessed the conclusion of an agreement by the Government of India with the Misr Foreign Trade Company, Cairo, for the purchase of rice against the sale of tea, jute goods and non-traditional items of export.

Besides these agreements, the State Trading Corporation concluded agreements with foreign trade organizations (State associated or private) of China, Italy, Japan, Lebanon, Switzerland and Viet Nam. The agreement with China was an extension of the original agreement upto 1959. The agreements with Lebanon and Switzerland would be valid for a year while those with Italy for a year and three months each. The agreements with Japan and Viet Nam related to specified exports and would be valid till the goods were actually exported. While these agreements were designed actively to facilitate the exchange of specified commodities, the commodity lists included in the agreements reflected, by and large, a desire to secure certain essential imports and to open up wider and newer markets for our exports, especially the non-traditional items of exports.

Tariff Commission.—During 1959-60, the Commission conducted fourteen tariff enquiries relating to the continuance of protection, three major price inquiries and one enquiry relating to interest payable on special advances to the Tata Iron and Steel Co. Ltd. and the Indian Iron & Steel Co. Ltd.

Tariff inquiries conducted were in respect of the following fourteen industries: sago, hydroquinone, grinding wheels, machine screws, cotton and hair belting, automobile leaf spring, stearic and oleic acids, diesel fuel injection equipment, plastics (phenol formaldehyde moulding powder and buttons), non-ferrous metals, automobile hand tyre inflators, M S wood screws, calcium lactate and piston assembly. The Government of India announced their decisions accepting the main recommendations of the Commission on the first ten of these industries. In accordance with these decisions, tariff protection in the case of six industries, viz., sago, hydroquinone, grinding wheels, machine screws, cotton and hair belting and automobile leaf spring was discontinued with effect from January 1, 1960. As regards stearic and oleic acids and diesel fuel injection equipment industries, the period of protection has been further extended by three years and four years, respectively, from January 1, 1960. In the case of plastics industry, although protection to phenol-formaldehyde moulding powder would continue at the existing level of protective duty of 35 per cent *ad valorem* till December 31, 1962, that for plastic buttons was discontinued with effect from January 1, 1960. In the case of non-ferrous metals

industry, while protection granted to copper and brass sheets, commercial and industrial lead-sheets for tea chests and lead strips was discontinued from January 1, 1960, that granted for lead sheets (other than sheets for tea chests), zinc sheets not otherwise specified, zinc strips, copper rods (other than electrolytic copper rods), brass rods, copper and brass pipes, and tubes would continue for a further period of three years from January 1, 1960 at the existing rates of duty.

The three major price inquiries related to (i) acetate yarn, (ii) paper and paper boards and (iii) sugar. As regards acetate yarn produced by Sirsilk Mills Ltd., Sirpur (Kaghaznagar), the Commission's recommendations relating to the cost of production and fair selling prices for acetate yarn of 'A' grade were generally accepted by the Government of India. The Government of India also accepted the Commission's recommendations regarding the reorganisation of the financial structure of the company and some other ancillary recommendations. In regard to paper and paper board, the Government of India accepted the prices recommended by the Commission and called upon the paper mills to issue a revised price list effective from January 1, 1960 (*vide Statement 85*). The Commission also made recommendations for the fair distribution of paper and for the healthy growth of the industry. These recommendations were accepted by the Government of India. In respect of sugar, the Commission prepared four separate cost schedules applicable to four regions, i.e., (a) Northern region comprising the States of Uttar Pradesh, Bihar, Punjab, Orissa, West Bengal and Assam, (b) Bombay State, (c) Madhya Pradesh and Rajasthan and (d) Southern region comprising the States of Andhra Pradesh, Madras, Mysore and Kerala. The Commission recommended that, in addition to the cost of production derived from the cost schedules with reference to the duration of the season and the rate of recovery of sugar, a return of 12 per cent on capital employed should be allowed so as to provide sufficient funds for each unit to enable it to meet its commitments on account of bonus and gratuity, interest on borrowed capital and debentures, dividend on preference shares, managing agents' commission and income-tax, and leave a balance to a large majority of the units in all regions to declare reasonable dividends. The Commission further suggested assistance from the financing institutions to the units which require additional funds for purposes of rehabilitation. The Government of India accepted* these recommendations and decided to make use of the cost schedules prepared by the Commission to fix the controlled prices of sugar where necessary.

As regards the levy of interest on special advances to the Indian Iron and Steel Co and the Tata Iron and Steel Co which had been granted to them by the Government of India during the period July 1953 to July 1955, the Commission after investigation recommended that the interest on these special advances should be charged at 5 per cent per annum with effect from July 1, 1958. However, it recommended that the actual recovery of the amount might be postponed until a decision is taken regarding the common retention prices to all the main producers of iron and steel both in the public and private sectors after March 31, 1960. The Government of India accepted these recommendations also.

* The Government's resolution accepting the Commission's recommendations was published on April 4, 1960.

IX. CURRENCY AND COINAGE

Currency expansion recorded a further sharp rise of Rs 154.5 crores in 1959-60 as compared to Rs 126.2 crores in 1958-59 and Rs 52.3 crores in 1957-58. All the three components viz., notes, rupee coin and small coin contributed to this expansion. The circulation of both notes and rupee coin recorded a larger increase than in 1958-59, while that of small coin also showed a moderate rise as against a small contraction last year.

Circulation of Notes.—*Notes in circulation expanded during the year by Rs. 143 crores (or 8.6 per cent) to Rs 1,802 crores** as compared to Rs. 122 crores (or 8.0 per cent) in 1958-59. The year's rise, though somewhat larger than in 1958-59, was smaller than the sharp expansion of Rs. 190 crores (or 15.4 per cent) recorded in 1955-56.

Denomination-wise, the rise of Rs 147 crores in circulation of notes during the calendar year 1959† was shared by all except the Rs 5,000 and Rs 10,000 denominations though, as a proportion to total notes in circulation, only two denominations, viz. Rs. 2 and Rs. 100 notes recorded increases. The Rs. 100 denomination continued to be in the lead, its proportion to total notes in circulation has risen successively from 40.1 per cent in 1955 to 46.5 per cent in 1959. The Rs. 10 denomination continued to hold the second place, though its proportion to total notes in circulation declined over the year from 38.9 to 38.2 per cent. The proportion of the Rs. 5 denomination also moved down further from 9.7 to 9.5 per cent. The percentage of the Rs. 2 denomination to total notes, which had declined in 1958 from 1.9 to 1.8 per cent, regained the 1957 level. The aggregate share of the new high denomination notes, issued from April 1954, continued to decline. It has fallen from 5.2 per cent in 1955 to 4.5 per cent in 1958, and further to 3.9 per cent in 1959, in 1959, while the share of the Rs. 1,000 denomination declined from 3.1 per cent to 2.9 per cent and that of the Rs. 10,000 denomination from 0.8 per cent to 0.4 per cent, the Rs. 5,000 denomination maintained its proportion to total notes in circulation at 0.6 per cent. During 1959, the total circulation of the new high denomination notes recorded a decline of Rs. 4 crores to Rs. 68 crores, the sharpest fall of Rs. 5.52 crores (from Rs. 12.52 crores to Rs. 7 crores) was in respect of Rs. 10,000 notes, the Rs. 5,000 notes recorded a fractional decline of Rs. 22 lakhs (to Rs. 9.92 crores), while there was an increase of Rs. 2.16 crores (to Rs. 51.41 crores) in respect of Rs. 1,000 notes.

Circulation of Rupee Coin.—The circulation of rupee coin (the bulk of which represents one rupee notes) recorded a rather sharp rise of Rs 9.7 crores in 1959-60 following a rise of Rs 4.1 crores in 1958-59, in the preceding two years 1956-58, there was an aggregate decline of Rs 5.7 crores. The year's increase was the net

* Net of Rs 43 crores of Indian notes returned from circulation in Pakistan and awaiting cancellation.

† Denomination-wise data are available on a calendar year basis only.

result of (i) a rise of Rs. 19.1 crores during the eight months April-May 1959 and October 1959-March 1960 and (ii) a decline of Rs. 9.4 crores during the four months June to September 1959. At the end of 1959-60, the circulation of rupee coin stood at Rs. 130 crores,* representing a net rise of 6.5 per cent over the level of Rs. 122 crores at the end of 1955-56, but a net fall of about 6 per cent as compared to the outstanding circulation of Rs. 138 crores at the end of 1950-51. On April 3, 1960, the Reserve Bank, as usual, received from the Government of India, one rupee notes of the value of Rs. 5 crores in terms of Section 36(2) of the Reserve Bank of India Act† against payment of legal tender value. At the end of the year, rupee coin holdings of the Reserve Bank, the bulk of which is held in the form of one rupee notes, amounted to Rs. 126 crores.

Circulation of Small Coin.—The uptrend in the circulation of small coin, noticed since 1955-56, which had been interrupted in 1958-59, was resumed in 1959-60, the rise during the year amounting to Rs. 1.4 crores as against a decline of Rs. 0.3 crore in the previous year. The net rise in small coin circulation during the five years 1955-56 to 1959-60 amounted to Rs. 3.7 crores. During the year, the circulation of the decimal coins, first introduced on April 1, 1957, increased by Rs. 3.75 crores as compared to Rs. 2.76 crores in 1957-58 and Rs. 2.24 crores in 1958-59. As against this, the net withdrawal of old coins amounted to Rs. 2.31 crores as compared to Rs. 2.57 crores in 1958-59. A feature of the year was the introduction, for the first time, of the twenty-five *naye paisa* coins, the total amount put into circulation during the year being Rs. 1.02 crores. Of the balance of Rs. 2.74 crores of decimal coins put into circulation during the year, 10 *naye paisa* accounted for Rs. 1.26 crores, 5 *naye paisa* for Rs. 69 lakhs, 2 *naye paisa* for Rs. 39 lakhs and 1 *naya paisa* for Rs. 40 lakhs, the corresponding figures for the previous year were Rs. 99 lakhs, Rs. 64 lakhs, Rs. 30 lakhs and Rs. 31 lakhs. Among the old coins, all the denominations, excepting the half rupee, showed returns, the largest return was in respect of one anna pieces (Rs. 1.33 crores), followed by the two anna coins (Rs. 90 lakhs) and the half anna pieces (Rs. 35 lakhs). The circulation of the half rupee denomination recorded a further increase of Rs. 31 lakhs as compared to Rs. 5 lakhs in 1958-59; in this connection, it should be noted that the new 50 *naye paisa* coins have not been put into circulation.

There was a further return from circulation of quaternary silver small coins of the value of Rs. 7 lakhs, bringing the total amount of these coins withdrawn from circulation since 1947-48 to Rs. 23.4 crores.

* Since June 7, 1947, by which date all standard silver rupee coins had ceased to be legal tender, 'rupee coin' circulation in India has comprised (i) Government of India one rupee notes issued from July 1940, (ii) quaternary silver rupees issued between December 1940 and June 1946 and (iii) nickel rupees issued from June 1947. Since June 1946, quaternary silver rupee coins are in the process of being withdrawn. Out of these coins amounting to Rs. 94 crores outstanding on the date of discontinuance of their issue, coins of the value of Rs. 60 crores have been retired upto March 31, 1960.

† This section provides that, after the close of any financial year in which the maximum amount of rupee coin held in the assets, as shown in the Weekly Accounts of the Issue Department of the Reserve Bank, is less than fifty crores of rupees, or one-sixth of the total amount of the assets, whichever may be greater, the Central Government shall deliver to the Reserve Bank rupee coin upto the amount of such deficiency, but not without its consent exceeding five crores of rupees, against payment of legal tender value.

In accordance with their decision to withdraw from circulation the old anna-pie coins, the Government of India had issued a notification on July 18, 1958, in terms of which all nickel brass two anna coins, all half-pice coins and all pie coins ceased to be legal tender from January 1, 1959 (*vide* the Report for 1958-59). In continuation of this policy, the Government issued another notification, on June 15, 1959, by virtue of which all nickel-brass one anna and half anna coins ceased to be legal tender, effective January 1, 1960. However, these coins will continue to be accepted until June 30, 1960 at all offices of the Reserve Bank of India, agency banks of the Bank conducting Government business and at Government treasuries and sub-treasuries; they will also be accepted at post and telegraph offices and railway offices for payment of dues until that date. Further, these coins will continue to be legal tender at Offices of the Issue Department of the Reserve Bank at Bombay, Calcutta, Madras, Kanpur, New Delhi, Bangalore and Nagpur until further notice. Yet another notification was issued on March 2, 1960, which demonetised all cupro-nickel two-anna and half-anna coins, with effect from October 1, 1960. The arrangements in regard to acceptance of the coins after October 1, 1960 are similar to those under the June 15, 1959 notification, except that the last date for acceptance of these coins at the Reserve Bank, the Treasury Offices, etc. is March 31, 1961 instead of June 30, 1960.

Old Notes.—The value of notes written off under Section 34(2)(a) of the Reserve Bank of India Act* amounted to Rs 2,36,800 in 1959-60 as compared to Rs 3,19,550 in 1958-59. Notes, which had been written off in the previous years under this Section, but which were subsequently presented for payment and paid by the Banking Department of the Bank amounted to Rs. 440 as compared to Rs 6,460 in 1958-59.

Lost, Destroyed and Mutilated Notes.—Claims in respect of lost, destroyed and mutilated notes admitted at the Bank's offices during 1959-60 amounted to Rs 50 lakhs and payment made against them to Rs. 48 lakhs, as compared to Rs 48 lakhs and Rs 44 lakhs, respectively, during 1958-59.

Note forgeries.—During 1959-60, the total number of forged notes (including Government of India one rupee notes) received by the Bank was 4,574 as compared to 5,489 in 1958-59.

Coinage.—During 1959-60, 751 million pieces of decimal coins (valued at Rs 4 0 crores) were minted, as compared to 1,052 million pieces during 1958-59, and 1,039 million† pieces during 1957-58. This brings the total mintage of the decimal

* Section 34(2) as amended provides that

(a) any currency note of the Government of India or bank note which has not been presented for payment within forty years from the 1st day of April following the date of its issue, and
 (b) any bank note referred to in Section 26A shall be deemed not to be in circulation and the value thereof shall, notwithstanding anything contained in sub-section (2) of Section 23, be paid by the Issue Department to the Central Government or the Banking Department, as the case may be.

Provided that any note referred to in clause (a) if subsequently presented for payment, and any note referred to in clause (b), if directed to be paid by the Central Government, shall be paid by the Banking Department and any such payment in the case of currency note of the Government of India shall be debited to the Central Government.

† Revised

coins since 1956-57 to 3,586 million (valued at Rs. 13.5 crores). There was no coinage of whole rupees during the year under review.

The number of *foreign coins* minted by the India Government Mints during 1959-60 amounted to 178 lakhs.

Withdrawal of Silver, Cupro-nickel and Copper Coins.—During 1959-60, the aggregate value of *uncurrent coins* withdrawn from circulation amounted to Rs. 0.20 lakh and of *current coins* to Rs. 264 lakhs, as compared to Rs. 0.18 lakh and Rs. 286 lakhs, respectively during 1958-59.

Counterfeit Coins.—The number of counterfeit coins cut at treasuries and railway stations in 1959-60 was lower at 5.7 lakhs as compared to 11.3 lakhs in 1958-59.

APPENDIX

THE THIRD FIVE YEAR PLAN—A DRAFT OUTLINE (A Summary)

The main objectives of Planning in this country are to promote rapid and balanced economic development and to secure a social and economic order based on the values of freedom and democracy in which "justice, social, economic and political, shall inform all the institutions of the national life". The First and the Second Five Year Plan were designed with these objectives in view. The Third Plan is to carry forward the task undertaken in the first two plans and to provide for an acceleration of the effort undertaken so far. Broad aims of the Plan defined in the Draft Outline are:

- (i) to secure during the next five year period a rise in national income of over 5 per cent per annum, the pattern of investment being designed also to sustain this rate of growth during subsequent plan periods;
- (ii) to achieve self-sufficiency in foodgrains, and increase agricultural production to meet the requirements of industry and exports;
- (iii) to expand basic industries like steel, fuel and power and establishing machine-building capacity, so that the requirements of further industrialization can be met within a period of 10 years or so mainly from the country's own resources;
- (iv) to utilize to the fullest extent possible the manpower resources of the country and to ensure a substantial expansion in employment opportunities,
- (v) to bring about a reduction of inequalities in income and wealth and a more even distribution of economic power.

Over the period of the First and the Second Plan, national income is estimated to have increased by about 42 per cent (an annual compound rate of 3·5 per cent). The Third Plan aims at securing an increase of over 5 per cent per annum in national income, so that over the 15 years, 1950-51 to 1965-66, the total increase in the national income will be of the order of 80 per cent.

One of the principal aims of the Plan is to secure a marked advance towards self-sustaining growth. Basically, self-sustaining growth implies that savings and investment in the economy rise sufficiently to secure a high rate of growth of income on a continuing basis. An important aspect of this problem, however, is that of creating within the country the capacity to produce the capital goods and equipment necessary to support the scale of investment proposed. In determining the pattern of investment in the Third Plan, this consideration has been kept in mind.

Self-sustaining growth can only be achieved by balanced development both in agriculture and industry. Incomes and employment cannot rise sufficiently without industrialization. On the other hand an industrial revolution cannot be achieved without a radical improvement in agricultural productivity. The Third Plan calls for effort both to enlarge the capital base and to raise the output of food and raw materials.

In a country in which there is relative abundance of manpower, expansion of employment opportunities becomes an important objective in itself. Increased production itself is to some extent dependent upon a better utilization of the available manpower. Considerable emphasis is, therefore, given in the Plan on increasing employment opportunities.

An important objective of the Plan is to devise means for reducing inequalities in incomes and wealth, the aim being to bring about a 'socialist pattern of society' in which all citizens will have the fullest opportunity for a rich and diverse life and for the development of their full potentialities. The term 'socialist pattern of society' essentially means that the basic criterion in determining social policies and the lines of the economic advance should be not private profit or the interests of a few but the good of the community as a whole. Reduction in inequalities in income and wealth has to be achieved through a large variety of measures and institutional changes undertaken as part of the Plan. The pattern of investment, the direction to economic activity given by State action, the impact of fiscal devices used for mobilising resources, the expansion of social services, the institutional changes in the sphere of land ownership and management, and the growth of co-operative sector under State sponsorship—all these determine the points at which new incomes will be generated and the manner of their distribution. It is the essence of a planned approach that all these measures are harmonised and brought to a focus in a manner that would ensure an enlargement of incomes and opportunities at the lower end and a reduction of wealth and privilege at the upper end.

Outlay and Investment.—The Third Plan envisages a developmental outlay of Rs 7,250 crores (\$15,225 million) in the public sector. Of this, about Rs. 1,050 crores (\$2,205 million) will represent current outlays (*i.e.* the total of recurring expenditure over the five year period for increasing the level of social services and for certain administrative overheads) and the remaining Rs 6,200 crores (\$13,020 million) would be investment. Investment by the private sector is estimated at Rs 4,000 crores (\$8,400 million). The total of public and private investment over the Plan period thus works out at Rs 10,200 crores (\$21,420 million). In table 1 on page 99, outlays and investments in the Third Plan are compared with those in the Second.

Of the investment of Rs 6,200 crores (\$13,020 million) by the public authorities, about Rs 200 crores (\$420 million) would be loans to the private sector towards capital formation. Investment in the public sector proper would thus be Rs 6,000 crores (\$12,600 million) and in the private sector Rs. 4,200 crores (\$8,820 million).

The Plan aims at raising the level of investment in the economy from about 11 per cent of national income by the end of the Second to about 14 per cent by the

Table 1: Outlay and Investment in the Second and Third Plan

	Second Plan		Third Plan	
	Rs crores	Million \$	Rs crores	Million \$
1. Public Sector				
(i) Plan outlay				
(ii) + (iii)	4,600*	9,660*	7,250	15,225
(ii) Current outlay	950	1,995	1,050	2,205
(iii) Investment	3,650	7,665	6,200	13,020
2. Private Sector Investment	3,100	6,510	4,000	8,400
3. Total Investment	6,750	14,175	10,200	21,420

* In the Second Plan the target of outlay in the public sector was placed at Rs 4,800 crores (\$10,080 million). The figure of Rs 4,600 crores (\$9,660 million) given here represents likely expenditure over the five-year period.

end of the Third Plan. The rate of savings in the economy is at present around 8 per cent of national income. This has to be raised to about 11 per cent by the end of the Third Plan, the balance representing inflow of resources from abroad.

The table on page 100 shows the distribution of outlay and investment in the Third Plan.

Of the aggregate investment of Rs 10,200 crores (\$21,420 million), the investment on 'industrial complex'—comprising power, large and small-scale industries, minerals, and transport and communications—accounts for Rs 5,560 crores (\$11,676 million). In the Second Plan the aggregate investment on these items was about Rs. 3,645 crores (\$7,655 million). Thus the Third Plan envisages a big push forward in the industrial field.

Pattern of Outlay in the Public Sector Plan.—The table on page 101 sets out the distribution of outlay in the public sector by major developmental heads as expected to materialize in the Second Plan and as envisaged in the Third Plan.

It will be seen from the table that in the Second Plan 'industry and minerals' accounted for 19 per cent of the public sector outlay; in the Third Plan their share is to go up to about 21 per cent. In absolute terms, the step up in the outlay on 'industry and minerals' is very large—as compared to an expected outlay of Rs 880 crores (\$1,848 million) on these items in the Second Plan the target for the Third Plan is Rs 1,500 crores (\$3,150 million).

The share of 'power' in the aggregate outlay in the Second Plan was a little less than 9 per cent. In the Third Plan this is likely to go up to about 13 per cent. In absolute terms, the outlay on 'power schemes' in the Third Plan would be more than double the expenditure incurred in the Second Plan.

Table 2 Outlay and Investment in the 'Third Plan'

Table 3 - Distribution of Plan Outlay in the Public Sector

	Outlay				Percentage	
	Second Plan		Third Plan		Second Plan	Third Plan
	Rs crores	Million \$	Rs. crores	Million \$		
1 Agriculture and minor irrigation	320	672	625	1,312	6.9	8.6
2 Community development and co-operation	210	441	400	840	4.6	5.5
3 Major and medium irrigation	450	945	650	1,365	9.8	9.0
4 Total 1, 2 and 3	980	2,058	1,675	3,517	21.3	23.1
5 Power	410	861	925	1,943	8.9	12.8
6 Village and small industries	180	378	250	525	3.9	3.4
7 Industry and minerals	880	1,848	1,500	3,150	19.1	20.7
8 Transport and communications	1,290	2,709	1,450	3,045	28.1	20.0
9 Total 5 to 8	2,760	5,796	4,125	8,663	60.0	56.9
10 Social services	860	1,806	1,250	2,625	18.7	17.2
11 Inventories	—	—	200	420	—	2.8
12 Grand Total	4,600	9,660	7,250	15,225	100	100

In the Second Plan 'transport and communications' claimed as much as 28 per cent of the aggregate public sector outlay. In the Third Plan their share is reduced to 20 per cent. In absolute figures, however, there is no reduction; in fact, the provision in the Third Plan is about Rs 150 crores (\$ 315 million) higher than that in the Second Plan.

In the Second Plan, the share of 'agriculture', 'community development' and 'irrigation' in the public sector outlay was about 21 per cent. In the Third Plan this is expected to increase to 23 per cent. The share of 'social services' in the public sector outlay remains at about the same percentage as in the Second Plan. A new item provided for in the Third Plan is that of 'inventories'. In the Second Plan, no separate provision for 'inventories' in the public sector was made. In the Third Plan period a number of public sector projects are likely to be in production; requisite provision for increases in stocks of raw material, stores etc. in respect of these projects has, therefore, to be made.

The scheme of financing : public sector.—The table on page 102 sets out the scheme of financing the Third Plan outlay in the public sector. For purposes of comparison, the data for the Second Plan are also given.

Table 4: Financial Resources.

	Second Plan		Third Plan	
	Rs crores	\$ million	Rs crores	\$ million
1. Balance from revenues on the basis of existing taxation .	(-) 100	(-) 210	350	735
2. Contribution of the Railways on the existing basis	150*	315	150	315
3 Surpluses of other public enterprises on the existing basis	**	**	440	924
4 Loans from the public	800	1,680	850	1,785
5 Small savings .	380	798	550	1,155
6 Provident funds, betterment levies, steel equalisation fund and miscellaneous capital receipts	213	447	510	1,071
7 Additional taxation, including measures to increase the surpluses of public enterprises	1,000	2,100	1,650	3,465
8 Budgetary receipts corresponding to external assistance	982	2,062	2,200	4,620
9 Deficit financing .	1,175	2,468	550	1,155
Total . .	4,600	9,660	7,250	15,225

* Inclusive of increased fares and freights

** Included in (1) above

The budgetary resources that can be raised by the Central and State Governments through taxation, borrowings and other receipts and the surpluses of public enterprises available for investment are estimated at Rs 2,850 crores (\$ 5,985 million). A further Rs 1,650 crores (\$ 3,465 million), it is suggested, should be raised through additional taxation. To these might be added Rs. 2,200 crores (\$ 4,620 million) of resources representing rupee receipts corresponding to external assistance and Rs. 550 crores (\$ 1,155 million) of deficit financing. The aggregate resources on this basis work out at Rs 7,250 crores (\$ 15,225 million).

The fulfilment of the additional taxation target of Rs 1,650 crores (\$ 3,465 million) over the five-year period is vital for the successful implementation of the Plan. Considering the fact that developmental activities of the Government are being rapidly accelerated, this may not appear to be an excessively high target. Nevertheless, an additional target of this order will involve considerable effort on the part of the Central and State Governments to broaden their tax structure.

The scope for deficit financing in the Third Plan is very limited because of two reasons: (i) the general price level is already quite high; and (ii) there are no foreign exchange resources to cushion off the inflationary effects of deficit financing. On a

rough basis, it is estimated that deficit financing of about Rs. 550 crores (\$ 1,155 million) in the Third Plan period would perhaps represent the safe limit.

The Third Five Year Plan, with its emphasis on rapid industrialization would involve a considerable amount of foreign exchange expenditure. It is estimated that the direct foreign exchange component of the Plan will be of the order of Rs. 1,900 crores (\$ 3,990 million). In addition, it will be essential to provide for imports of about Rs. 200 crores (\$ 420 million) worth of components, balancing equipment etc needed to increase the production of capital goods within the country. Thus, for the Plan and for imports of components etc., foreign exchange of the order of Rs. 2,100 crores (\$ 4,410 million) is needed.

The estimates made at this stage show that even if the Plan requirements are not taken into account, the balance of payment position, because of the repayments of capital and payment of interest due in the Third Plan would show a deficit of Rs. 500 crores (\$ 1,050 million). The requirements of foreign exchange in the Third Plan period would thus come to Rs. 2,600 crores (\$ 5,460 million), with details as follows:

	Rs crores	Million \$
1. Machinery and equipment for projects in the Plan	1,900	3,990
2 Components, intermediate products etc. for increase in the production of capital goods within the country .	200	420
3 Deficit in the balance of payments without taking into account Plan requirements	500	1,050
	<hr/>	<hr/>
	2,600	5,460

To the total of Rs. 2,600 crores (\$ 5,460 million) indicated above, have to be added the estimated receipts of Rs. 600 crores (\$ 1,260 million) by way of P L 480 assistance. On this basis, the total balance of payments deficit for the Third Plan would come to about Rs. 3,200 crores (\$ 6,720 million). This represents the order of external assistance that is required for financing the Third Plan. Of this, Rs. 600 crores (\$ 1,260 million) would become available by way of P L 480 assistance; the problem then is to secure a further assistance of Rs. 2,600 crores (\$ 5,460 million) to carry through the Plan.

Corresponding to the aggregate external assistance of Rs. 3,200 crores (\$ 6,720 million), the net rupee resources accruing to the public sector for financing the Plan would be only Rs. 2,200 crores (\$ 4,620 million). This is because Rs. 500 crores (\$ 1,050 million) of external resources would be required for repayment of external obligations during the Third Plan period. Another Rs. 300 crores (\$ 630 million) might go directly to the private sector. Lastly of the total P L 480 assistance of Rs. 600 crores (\$ 1,260 million), about Rs. 200 crores (\$ 420 million) would represent buffer stocks which will not yield rupee resources. From the total external assistance of Rs. 3,200 crores (\$ 6,720 million), we have thus to deduct the three items just

mentioned totalling about Rs. 1,000 crores (\$ 2,100 million). The balance of Rs. 2,200 crores (\$ 4,620 million) would then be available as budgetary resources for the public sector.

The role of external assistance is to supplement domestic savings by bridging the gap between the essential import requirements and export possibilities. In the present phase of development, India has to depend upon external assistance. The aim of the policy, however, is to progressively reduce this dependence so as to eliminate it within a foreseeable period. This is not to suggest that no inflow of resources from abroad will be desirable after this period. Private capital inflows can and should continue but reliance on Government to Government assistance or special aid programmes has to be steadily reduced and after a period of years dispensed with.

Targets of production and development.—The principal targets of production and development to be achieved over the Third Plan period as a result of the investment proposed both in the public and private sectors are set out in the annexure given at the end of this summary. Important developments expected in fields like agriculture and irrigation, industry and power, transport and communications, and social services are summarised below.

Agriculture and irrigation: The targets of additional production proposed for some of the important agricultural products are given below.

Table 5. Principal Agricultural Production Targets.

Commodity	Additional production	Percentage increase
Foodgrains (million tons)	25 to 30	33-44
Oilseeds (million tons)	2 to 2.3	28-32
Sugarcane (in terms of gur) (million tons)	1.8 to 2	25-28
Cotton (million bales)	1.8	33
Jute (million bales)	1.0	18

In addition, measures will be taken to increase the production of such food articles as fruits and vegetables, milk, fish, meat and eggs and also of other commodities like coconut, arecanut, cashewnuts, pepper, cardamom, tobacco, lac and timber. It is estimated that as a result of the increases in production in various fields enumerated above, agricultural production as a whole would increase by 30 to 33 per cent in the Third Plan period.

The target proposed for foodgrains would allow for consumption of about 15 ounces of cereals and 3 ounces of pulses per capita per day. The target for raw

cotton is expected to be sufficient to provide for 17.5 yards of cotton cloth per annum *per capita* and in addition allow for exports

As regards specific programmes for agricultural development, the net additional area benefited from major and minor irrigation works is estimated at 20 million acres after making allowance for some of the old works going out of use partly or wholly and other similar factors. This will bring the net irrigated area to about 90 million acres by the end of the Third Plan. About 40 million acres will be covered by dry farming techniques. Soil conservation measures are to be extended to an additional area of 13 million acres. The consumption of nitrogenous fertilisers is to be increased to 1 million tons in terms of nitrogen and of phosphatic fertilisers to 400 to 500 thousand tons in terms of P₂O₅. Also an additional area of 50 million acres is proposed to be covered by green manures. Plant protection measures will be able to afford protection to the extent of 75 million acres by the end of the Plan period.

The community development programme will be extended to the entire rural area by October 1963. The programme of co-operative development will be intensified along the lines laid down by the National Development Council in November 1958 and finance from co-operative agencies is expected to play a considerable part in increasing agricultural production.

Industry and power.—In industry special emphasis is being placed on the development of those industries which will help to make the economy self-sustaining, namely, steel and machine-building and the manufacture of producer goods. Necessary measures are also being taken to expand the production of consumer goods.

Developments in iron and steel are linked with the target capacity of 10.2 million tons in terms of steel ingots and 1.5 million tons of pig iron for sale. The additional capacity and output in this field are expected to be realised almost entirely in the public sector. The Bhilai, Rourkela and Durgapur steel plants are proposed to be expanded contributing jointly 5.5 million tons of steel ingots. The Plan also provides for a fourth steel plant in the public sector to be started at Bokaro. About 200,000 tons of steel ingots are expected from scrap based electric furnaces and 200,000 tons of pig iron from low shaft blast furnaces proposed to be established on a decentralised basis in the private sector. Steps are also to be taken for the production of about 200,000 tons of alloy, tool and special steels.

Important advances will be made in the field of machinery and engineering industries during the Third Plan period. Proposals for this sector include heavy machine building plant, foundry forge, coal mining machinery plant, heavy structural plant, heavy plate and vessel works, heavy machine tool factory, doubling of the output of Hindustan Machine Tools, Bangalore, expansion of Heavy Electrical Project, Bhopal, two additional heavy electrical projects and schemes for the production of high pressure boilers and precision instruments.

Machinery manufacturing programme in the private sector is expected to supplement the efforts of the public sector. In relation to the levels of demand envisaged by 1965-66 for certain lines of machinery, e.g. textile, sugar, cement and

paper machinery, programmes have been formulated which should lead to considerable reduction of imports of complete plants for the related industries.

The production of inorganic fertilisers is proposed to be stepped up from 210,000 tons in terms of nitrogen at the end of the Second Plan to 1 million tons at the end of the Third. A substantial increase in the production of phosphatic fertilisers is also proposed.

The production of coal is proposed to be stepped up by 37 million tons over the target of 60 million tons set for the Second Plan i.e., to 97 million tons.

On the basis of the present proved reserves the Naharkatiya area is expected to produce 2.75 million tons of crude oil per year. Provision has been made both for the completion of the refineries at Nunmati and Barauni for processing the Naharkatiya crude and also for further exploration with a view to obtaining additional production of crude from Cambay and other areas where prospects appear to be favourable.

Among the other important targets which have been proposed so far are:

	Annual production	
	1960-61	1965-66
Aluminium ('000 tons)	17.0	75.0
Cement (million tons)	8.8	13.0
Paper ('000 tons)	320	700
Sulphuric acid ('000 tons)	400	1,250
Caustic soda ('000 tons)	125	340
Sugar (million tons)	2.25	3.0
Cotton textiles—mill cloth (million yards)	5,000	5,800
Bicycles—organised sector ('000 Nos.)	1,050	2,000
Sewing machines ('000 Nos.)..	300	450
Automobiles (Nos.)	53,500	100,000

It is proposed to increase the total generating capacity of power from 5.8 million K.W. at the end of the Second Plan to 11.8 million K.W. at the end of the Third Plan. The plan for power includes a programme for nuclear power generation of 300,000 K.W. It is expected that 15,000 additional towns and villages will be electrified during the Third Plan period bringing the total to 34,000.

In respect of village industries, the aim is to encourage the expansion of production through the private and co-operative sectors by providing positive forms of assistance like facilities for training, technical know-how, provision of credit, supply of raw materials etc. Production of cloth in the decentralised sector, namely from handlooms, powerlooms and khadi is tentatively proposed to be increased from about 2,610 million yards in 1960-61 to 3,500 million yards in 1965-66. Production of raw silk will be increased from 3.7 million lbs to 5.0 million lbs.

In the programmes for small-scale industries the emphasis will be on promoting development in small towns and rural areas and on linking them up more closely with large scale industries as ancillaries or feeders. For handicrafts and coir, the programmes will be designed for achieving improvement in quality as well as for

stepping up production and exports The number of industrial estates is expected to increase from 60 in the Second Plan to 360 in the Third Plan

Transport and communications.—It is expected that the railways will be able to carry goods traffic to the extent of about 235 million tons in the last year of the Third Plan, as against 162 million tons in 1960-61 and 1,200 miles of new railway lines will be constructed Under the road development programme it is proposed to add during the Third Plan 20,000 miles of surfaced roads to the level of 144,000 miles expected in 1960-61. The expansion of road transport will be mainly in the private sector. It is roughly estimated that the number of commercial vehicles will go up from over 200,000 to about 300,000 during the Thurd Plan period. For the time being the shipping target has been placed at about 200,000 GRT in addition to the tonnage of 900,000 GRT expected to be achieved at the end of the Second Five Year Plan. This target is, however, felt to be insufficient and is to be examined further.

Social Services.—The progress made in the field of social services in recent years is reflected both in demands for larger resources for social services and in increased expectations on the part of the people In some directions, large advances are expected to be made during the Third Plan It is proposed to provide for free and compulsory primary education for the age group 6-11 years The number of elementary/basic schools will increase from 355,000 in 1960-61 to about 500,000 by 1965-66. Making allowance for slower progress in female education in certain backward areas, it is estimated that the proportion of pupils to the number of children will go up from 60 to 80 per cent in the age group 6-11, from 23 to 30 per cent in the age group 11-14 and from 12 to 15 per cent in the age group 14-17 The total number of students in schools will go up from 41 million in 1960-61 to 65 million in 1965-66

Scientific and technical education will be given increasing support The proportion of pupils taking science courses in colleges is expected to rise from 30 to 40 per cent of the total number The intake capacity of engineering colleges and polytechnics will increase from 37,200 at the end of the Second Plan to 52,500 at the end of the Third Plan Scientific laboratories and engineering enterprises will be encouraged to provide facilities for technical training Special provision will be made for part-time and correspondence courses

In the field of health services, the number of registered doctors will increase from 84,000 to 103,000, of hospital beds from 160,000 to 190,000 and of hospitals and dispensaries from 12,600 to 14,600 The number of primary health centres will be increased from 2,800 to 5,000 The programme for family planning will be given a very high priority and the number of clinics will be increased from 1,800 to 8,200 Programmes for low income group housing, housing for industrial workers, slum clearance and slum improvement and acquisition and development of land for housing will be expanded and finance for housing will be provided through Housing Finance Corporations

The Third Plan includes a programme of local development works for enabling all rural areas to provide themselves with certain minimum amenities These are (a) adequate supply of drinking water, (b) roads linking each village to the nearest

main road or railway station, and (c) the village school building which may also serve as a community centre and provide facilities for the village library.

National income and employment.—The sum total of developments in various fields is reflected in the growth of national income. On rough calculations, it appears that during the Third Plan the national income would increase by over 5 per cent per annum. As regards employment, the present indications are that the total employment outside agriculture in the Third Plan might be about 10.5 million out of a total increase in the new entrants of about 15 million, of which about 3 million are expected to be absorbed in agriculture.

The targets for the Third Plan as at present envisaged will take the economy a considerable distance towards the stage of self-sustaining growth. The ground will also be prepared for more rapid development under the Fourth Plan. In view of the large investments which have been already made, it is essential to ensure that the assets created are utilised to the best advantage. The process of development itself will offer fresh possibilities for increasing output and employment and the effort should be to take advantage of these possibilities by ensuring the fullest possible utilisation of manpower and mobilisation of the savings of the community.

ANNEXURE
Production and Development - Progress and Targets.

Item	Unit	1950-51	1955-56	1960-61 (anticipated)	Increase in 1960-61 over 1950-51 (percentage)	1955-66 Targets	Increase in 1965-66 over 1960-61 (percentage)			
1	2	3	4	5	6	7	8			
1 AGRICULTURE AND COMMUNITY DEVELOPMENT										
1.1 AGRICULTURAL PRODUCTION										
Foodgrains	million tons	52.2*	65.8*	75.0	44	100-105	13-40			
Cotton	million bales	2.9	4.0	5.4	86	72	33			
Sugarcane-gur	million tons	5.6	6.0	7.2	29	9.0-9.2	25-28			
Oil seeds	million tons	5.1	5.6	7.2	41	9.2-9.5	28-32			
Jute	million bales	3.3	4.2	5.5	67	6.5	18			
Tea (n)	million lbs	613	678	725	18	850	17			
Tobacco	'000 tons	257	298	300	17	325	8			
Fish	million tons	0.7	1.0	1.4	100	1.8	29			
Milk	million mds	466	528	600	29	690	15			
Wool	million lbs	60	65	72	20	90	25			
1.2 AGRICULTURAL SERVICES										
Acre irrigated (net total)	million acres	51.5	56.2	70.0	36	90.0	29			
Land reclamation	million acres	—	2.7	1.2	..	1.0				
(Additional area)	million acres	—	0.7	2.0	..	13.0	550			
Soil conservation (additional area benefited)	million acres	—	—	—	—	—				
Nitrogenous fertilisers consumed	'000 tons of N	55	105	360	55.5	1 000	178			
Phosphatic fertilisers consumed	'000 tons of P ₂ O ₅	7	13	67	85.7	400-500	49-646			
Seed farms	number	—	—	4 000	—	4 500	13			
1.3 COMMUNITY DEVELOPMENT BLOCKS										
				1,064	3,112	5,217	68			

(a) Relates to calendar year

* Estimates of production adjusted for changes in statistical coverage and methods of estimation upto 1956-57

ANNEXURE—(Contd.)
Production and Development: Progress and Targets—(Contd.)

Item	Unit	1950-51	1955-56	1960-61 (anticipated)	Increase in 1960-61 over 1950-51 (percentage)	1965-66 Targets	Increase in 1965-66 over 1960-61 (percentage)	
							1	2
2. POWER								
Electricity (installed capacity)	million K.W.	2.3	3.4	5.8	152	11.8	103	
Electricity generated in towns and villages electrified	million K.W.H. thousands	6,575	11,000	20,700	215	42,250	104	
3. MINERALS								
Iron ore (a)	million tons	3.7	7.4	19.0	414	34.0	79	
Coal (a)	million tons	32.0	38.0	53.0	300	32.0	167	
4. LARGE SCALE INDUSTRIES								
4.1 METALLURGICAL INDUSTRIES								
Finished steel	million tons	1.0	1.3	2.6	160	6.9	165	
Pig iron (for sale)	million tons	0.35	0.4	0.9	157	1.5	67	
Copper	000 tons	—	7.3(a)	7.9	—	18.4	133	
Aluminium	000 tons	3.7	7.3	17.0	359	75.0	341	
4.2 MECHANICAL AND ELECTRICAL ENGINEERING								
Cement machinery	value in Rs lakhs	—	34(a)	80	—	450	453	
Sugar machinery	value in Rs lakhs	—	19	440	—	1,000	127	
Machine tools (graded)	value in Rs lakhs	29	72(a)	550	1,797	3,000	445	
Ball and roller bearings	million number thousands	0.1	0.9	2.4	—	—	—	
Diesel engines	5.5	10.0	33.0	2,300	12.0**	400		
Tractors	—	—	2,000	500	66.0	100		
Electric motors (200 b.h.p. and below)	100	270	800	—	10,000	400		
Electric transformers (33 kva and below)	179	625	1,350	700	2,500†	213		
Electric cables (ACSR) conductors	000 tons	1.7	8.7	18.0	654	3,500	159	
					959	44.0	144	

4.3	RAILWAY LOCOMOTIVES						
Steam and Diesel	number	500*	—	1,250*	—	1,609*	29
Electric	number	—	—	—	—	232*	
4.4	CHEMICALS						
Fertilisers							
Nitrogenous (in terms of nitrogen)	'000 tons	9	79	210	2,213	1,000	376
Phosphatic (in terms of P ₂ O ₅)	'000 tons	9	12	70	678	400-500	471-614
Sulphuric acid	'000 tons	164	400	400	1,250	213	
Soda ash	'000 tons	45	81	240	433	450	88
Caustic soda	'000 tons	11	35	125	1,036	340	172
Sulphur drugs	tons	—	83(a)	150	—	1,000	567
D.D.T.	tons	—	284	2,800	—	2,800	
4.5	OTHER INDUSTRIES						
Sewing machines (organised sector only)	thousands	33	1112	300	809	450	50
Bicycles (organised sector only)	thousands	101	513	1,050	940	2,000	90
Automobiles	thousands	165	253	535	224	100	87
Cotton textiles (mill made)	million yards	3,720	5,102	5,000	34	5,800	16
Sugar	million tons	11	19	225	105	30	33
Steel structural fabrications	'000 tons	—	90	250	1,000	300	
Cement	million tons	27	46	88	226	130	48
Petroleum products	million tons	—	36	46	74	74	61
Paper and paper board	'000 tons	114	187	320	181	700	119

(a) Relates to calendar year

** By working to capacity on three shifts,

† 300 h p and below

* Relates to the Plan period

ANNEXURE—(Concl)

Middle Stage	11-14 age group	13	16	23	77	30	30
Higher Secondary Stage	14-17 age group	5	8	12	140	15	25
Institutions							41
Primary/junior schools	basic '000 numbers	209 7	278 1	354 9	69	500 0	
Middle/senior schools	basic '000 numbers	13 6	21 7	30 0	121	45 0	50
High/higher schools	secondary '000 numbers	7 3	10 8	14 0	92	18 0	29
Multipurpose schools	'000 numbers	—	0 4	1 6	1 8	1 8	13
7.2 TECHNICAL EDUCATION							
Engineering and Technology	number	4 119	5,888	13 165	220	18 500*	41
Degree level (intake)	number	5,903	10 484	24,020	307	34,000*	42
8 HEALTH							
8.1 INSTITUTIONS							
Hospitals & dispensaries	'000 numbers	8 6	10 0	12 6	47	14 6	16
Hospital beds	'000 numbers	113	125	160	42	190	19
Primary health units	number	—	725	2,800		5,000	79
Family planning centres	number	—	147	1,797		8,197	356
8.2 PERSONNEL							
Medical colleges (intake) (a)	number	2,854	3,655	4,790	68	103	23
Doctors (registered)	'000 numbers	59	70	84	42	52	62
Nurses (registered)	'000 numbers	17	22	32 5	91	70	75
Midwives (c)	'000 numbers	18	27	40	122	42 0	250
Nurse-dais and dais	'000 numbers	2 2	6 8	12 0	445		
Health assistants and sanitary inspectors	'000 numbers	3 5	4	7	100	14	100

(a) Relates to calendar year.

(b) Including nurses registered as midwives and auxiliary-nurse midwives.

* In addition to this, facilities would be provided in part-time courses.

STATEMENTS

In using this Report, the following general information may be noted.

(1) The Indian financial year is from April 1 to March 31. Thus, 1959-60 means the year from April 1, 1959 to March 31, 1960

(2) The Currency Unit of the Indian Union is the Rupee. With effect from April 1, 1957, India adopted the decimal coinage, the Rupee being divided into 100 equal parts, called 'naya paisa'. The abbreviation for rupees is 'Rs' and for 'naya paisa' it is 'nP'. A Rupee is equivalent to 21 U.S. cents or 1 sh 6 d sterling.

(3) From November 1, 1956 (on which date the States Reorganization Act, 1956 became effective) upto April 30, 1960, the Indian Union consisted of *fourteen* states. Of these, one state namely, the Bombay State was bifurcated on May 1, 1960 into two states namely (i) Maharashtra and (ii) Gujarat, thus bringing the total number of states to *fifteen*. The Federal Government is the Government of India, also called the Central or Union Government.

(4) A crore = 10 million (Rs 1 crore is equal to U.S. \$2.1 million or £750,000 sterling). A lakh = one-tenth of one million.

(5) A tola = three-eighths of an ounce

(6) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be in some Tables and Statements an apparent slight discrepancy between the sum of the constituent items and the total as shown.

(7) The following symbols have been used:

... = Figure is not available — = Figure is nil or negligible.

(8) A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable. In each case a foot note is added indicating the nature of the difference.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT I

**INDEX NUMBERS OF MONEY SUPPLY, INDUSTRIAL PRODUCTION AND
WHOLESALE PRICES IN SELECTED COUNTRIES**

Year and Month	AUSTRALIA			CANADA			FRANCE			GERMANY (WESTERN)			INDIA			JAPAN			
	M	P (a)	M	I	P	M	I	P (a)	M (b)	I	P (c)	M	I (d)	P	M	I	P		
			M			P			M			M			M				
1950	82	69	95	83	96	67	87	78	73	72	85	107	78	101	41	70	70		
1955	103	102	115	110	99	128	120	98	125	128	101	120	116	87	120	116	98		
1956	104	106	114	120	102	141	133	102	134	138	103	127	126	97	140	144	102		
1957	107	108	120	103	154	145	108	150	146	105	133	130	103	146	167	105	105		
1958	106	105	133	118	101	163	150	121	170	151	106	138	132	104	164	168	98		
1959	-	114	106	129	127	104	183	157	127	190	162	105	147	143	109	192	208	99	
January	109	104	114	104	104	103	151	160	120	144	143	107	136	144	100	154	101	101	
February	"	108	104	113	108	103	150	164	120	146	143	107	136	132	99	179	99	99	
March	"	109	105	115	109	111	103	151	162	120	147	145	107	136	100	131	131	100	
April	"	107	104	119	114	103	152	166	124	152	151	106	140	140	102	163	99	99	
May	"	102	104	120	114	103	152	166	124	152	151	106	140	131	103	163	98	98	
June	"	101	105	123	118	103	154	161	121	154	153	106	139	121	106	132	106	106	
July	"	100	105	127	112	103	155	147	120	154	146	106	138	132	109	165	97	97	
August	"	100	106	120	116	103	154	162	121	157	142	106	135	128	112	163	97	97	
September	"	100	106	132	116	103	154	149	120	159	155	106	135	131	110	137	168	97	
October	"	102	105	136	117	103	155	120	155	120	161	161	106	134	130	110	173	96	96
November	"	104	104	132	120	104	156	161	120	165	163	106	136	125	108	172	97	97	
December	"	106	103	133	120	104	163	157	121	170	155	106	138	147	105	164	97	97	
January	105	105	102	128	124	104	161	154	127	161	141	105	140	147	106	171	97	97	
February	"	107	104	125	125	105	161	159	126	164	147	105	143	138	107	190	98	98	
March	"	108	106	124	125	105	164	156	125	167	156	105	146	143	106	153	204	98	
April	"	107	107	126	128	105	164	163	125	172	159	105	151	138	106	195	98	98	
May	"	105	106	125	127	105	164	169	126	174	164	105	149	136	108	201	98	98	
June	"	105	106	126	128	105	170	167	124	175	164	105	148	135	109	156	208	98	
July	"	104	107	129	126	105	171	159	125	179	153	105	144	146	111	209	98	98	
August	"	104	108	126	126	105	171	107	126	180	153	105	143	143	111	209	99	99	
September	"	107	107	128	130	105	171	158	127	181	169	105	145	145	111	161	217	100	
October	"	109	107	130	132	104	173	166	129	184	174	106	145	147	112	221	101	101	
November	"	111	106	126	128	104	173	179	129	185	185	106	145	147	112	224	101	101	
December	"	114	107	129	131	104	181	181	130	174	174	106	147	147	112	192	1240	1240	

[For footnotes, see next page.]

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT I—(Contd.)

Year and Month	NETHERLANDS		NEW ZEALAND		UNION OF SOUTH AFRICA		UNITED KINGDOM		UNITED STATES	
			M	P(a)	M	P(a)	M	P(a)	M	I
	M	I	P(a)	M	P(a)	M	P(a)	M	I	P
1950	83	88	87	84	78	92	76	95	95	81
1955	116	118	102	109	100	99	104	103	105	105
1956	112	123	105	109	104	101	105	104	107	104
1957	109	126	107	109	105	103	107	103	105	107
1958	122	126	105	103	108	101	107	106	114	108
1959	123	138	106	116	109	106	107	110	120	110
January	108	122	107	111	105	96	107	99	113	104
February	"	108	114	106	116	94	108	95	118	99
March	"	109	124	106	112	105	96	107	121	102
April	"	111	124	106	111	106	91	108	110	101
May	"	115	128	104	110	106	92	106	95	103
June	"	115	130	104	110	106	97	106	98	113
July	"	118	126	103	103	110	95	107	99	104
August	"	118	121	102	103	110	96	107	99	111
September	"	116	131	102	103	111	98	108	113	104
October	"	116	142	104	104	111	96	108	99	111
November	"	120	128	107	105	112	97	108	100	107
December	"	122	126	107	103	111	101	107	106	109
January	1959	122	125	107	104	109	94	108	101	104
February	"	122	121	106	108		95	106	98	100
March	"	123	133	105	107		97	105	99	112
April	"	124	138	104	107		95	107	100	117
May	"	126	137	104	110		95	107	100	111
June	"	127	138	105	111		101	107	102	112
July	"	127	135	105	105		100	107	104	108
August	"	128	135	105	106		110	101	107	121
September	"	126	142	105	108		103	107	105	120
October	"	125	143	108	109		105	107	107	113
November	"	127	140	108	111		104	108	107	107
December	"	128	145	107	116		106	108	110	112

Note.—Index numbers of industrial production for Canada, Netherlands and U.K. are adjusted for seasonal variations, while for Germany (West), U.S.A., Japan and India, they are not adjusted for seasonal variations.

M = Money Supply; figures as at the end of period, base end of 1953 = 100. I = Industrial Production, base 1953 = 100. P = Wholesale Prices, base 1953 = 100.

(a) Home and Import Goods, in respect of New Zealand, the series have been revised for 1959. (b) Prior to 1953, the series are monthly statistics in West Berlin is excluded. (c) Industrial goods (d) Compiled from the data available in 'Monthly Statistics of the production of selected industries in West Germany'. (e) Relates to wholesale prices of industrial input and (f) To those of industrial output.

United Nations Monthly Bulletin of Statistics issued by the International Bank for Reconstruction and Development, Geneva, Switzerland.

Sources—Deutsche Bundesbank.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 2

BALANCE OF INTERNATIONAL TRANSACTIONS OF
THE UNITED STATES (1956-59)

(Millions of US Dollars)

Item	All Areas				Western Europe		Sterling Area	
	1959 ^a	1958	1957	1956	1959 ^a	1958	1959 ^a	1958
Exports of goods	16,211	16,227	19,327	17,321	4,702	4,664	2,528	2,321
Exports of services	7,126	6,972	7,149	6,197	2,269	2,121	1,516	1,587
Total	23,337	23,199	26,476	23,518	6,971	6,785	4,044	3,908
Imports of goods	15,335	12,946	13,291	12,791	4,519	3,290	2,684	2,120
Imports of services	8,139	8,005	7,416	7,019	4,103	3,979	1,616	1,551
Total	23,474	20,951	20,707	19,810	8,622	7,269	4,300	3,671
Balance of goods and services ..	- 137	+ 1,248	+ 5,769	+ 3,708	- 1,651	- 484	- 256	+ 237
Military transfers under grants (Net)	N.A.	+ 2,522	+ 2,440	+ 2,605	N.A.	+ 1,514	(a)	(a)
Balance of goods and services including military transfers	N.A.	+ 4,770	+ 8,209	+ 6,313	N.A.	+ 1,030	- 256	+ 237
Unilateral transfers (Net)								
Private	- 564	- 525	- 535	- 503	- 277	- 269	- 120	- 109
Government								
Economic aid	- 1,623	- 1,611	- 1,613	- 1,695	- 310	- 316	- 251	- 256
Military aid	N.A.	- 2,522	- 2,440	- 2,605	N.A.	- 1,514	(a)	(a)
Other	- 213	- 182	- 159	- 134	- 75	- 75	- 16	- 14
United States capital (Net)								
Private	- 2,145	- 2,844	- 3,211	- 2,980	- 434	- 411	- 237	- 280
Government	..	- 1,729	- 966	- 963	- 626	+ 533	- 39	- 28
Foreign capital (Net)								
Long-term	+ 1,224	+ 55	+ 309	+ 407	+ 810	- 74	+ 201	- 37
Short-term	+ 3,335	- 1,109	- 323	+ 1,437	+ 1,030	+ 639	+ 160	- 422
Gold [Purchases (-) or Sales (+)]	+ 1,076	+ 2,275	- 798	- 306	+ 829	+ 2,326	+ 357	+ 900
Errors and omissions and transfers of funds between foreign areas [receipts by foreign areas (-)], (Net)	+ 776	- 441	+ 876	+ 692	- 455	- 1,297	+ 190	+ 151

Note: Western Europe includes the dependencies of the metropolitan countries. Figures of UK and its dependencies are also included in the total for Western Europe. Since sterling area as defined includes UK and its dependencies, the figures for sterling area overlap with those for Western Europe to that extent.

(a) Military aid to sterling area countries is not shown separately.

^aPreliminary

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 3

STERLING AREA'S BALANCE OF PAYMENTS (1956-59)

(£ million)

	1959 (Provisional)	1958	1957	1956
A. Current Transactions				
Imports	4,230	4,061	4,275	3,918
Of which the U.K.	2,227	2,050	2,175	2,110
Exports	4,111	3,662	4,020	3,756
Of which the U.K.	2,186	1,997	2,079	1,979
Trade Balance	-119	-399	-255	-162
Of which the U.K.	-41	-53	-96	-131
Invisibles (Net)	-134	-124	-236	-155
Of which the U.K.	-33	-25	-37	-23
Current Transaction (Net)	-253	-523	-491	-317
Of which the U.K.	-74	-78	-133	-154
B. Rest of Sterling Area Sales of Gold to the U.K.	+210	+231	+226	+222
C. Capital Transactions:				
(i) <i>On U.K.'s Account</i>				
(a) Long-term capital	-332	-5	+97	-51
(b) Monetary movements	+159	-104	-45	-19
(Of which movements in gold and convertible currencies) ¹	(+119)	(-284)	(-13)	(-42)
(ii) <i>On Rest of Sterling Area's Account</i>	+206	+392	+283	+158
(iii) <i>Balancing item</i>	-90	+9	-70	+7
Capital Transactions (Net)	+43	+292	+265	+95

¹ Increase (-) decrease (+)

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 4

CHANGES IN CENTRAL BANK DISCOUNT RATES

(Rate per cent)

Country	Date of change	Discount Rate			Difference
		Before change	After change		
1	2	3	4		5
1959					
Austria	April 1959	5 00	4 50		-0 50
Belgium	January 7, 1959	3 50	3 25		-0 25
	December 23, 1959	3 25	4 00		+0 75
Ceylon	December 16, 1959	2 50	3 00		+0 50
	December 24, 1959	3 00	2 50		-0 50
Denmark	September 1959	4 50	5 00		+0 50
Finland	March 1, 1959	6 50	6 00		-0 50
France	February 5, 1959	4 50	4 25		-0 25
	April 23, 1959	4 25	4 00		-0 25
Germany (Western)	January 9, 1959	3 00	2 75		-0 25
	September 1959	2 75	3 00		+0 25
	October 23, 1959	3 00	4 00		+1 00
Japan	February 19, 1959	7 30	6 94		-0 36
	December 2, 1959	6 94	7 30		+0 36
Netherlands	January 21, 1959	3 00	2 75		-0 25
	November 16, 1959	2 75	3 50		+0 75
New Zealand	October 19, 1959	7 00	6 00		-1 00
Pakistan	January 15, 1959	3 00	4 00		+1 00
Peru	November 1959	6 00	9 50		+3 50
Philippine Republic	February 1959	4 50	6 50		+2 00
Union of South Africa	January 5, 1959	4 50	4 00		-0 50
Spain	August 6, 1959	5 00	6 25		+1 25
Switzerland	February 26, 1959	2 50	2 00		-0 50
U S A (a)	March 6, 1959	2 50	3 00		+0 50
	May 29, 1959	3 00	3 50		+0 50
	September 11, 1959	3 50	4 00		+0 50
Venezuela	November 1959	2 00	4 50		+2 50
1960					
Austria	March 17, 1960	4 50	5 00		+0 50
Cuba	January 1960	5 50	6 00		+0 50
Denmark	January 25, 1960	5 00	5 50		+0 50
El Salvador	January 1960	4 00	5 50		+1 50
Iceland	February 1960	7 00	11 00		+4 00
Ireland	January 28, 1960	4 25	4 75		+0 50
Sweden	January 15, 1960	4 50	5 00		+0 50
United Kingdom	January 21, 1960	4 00	5 00		+1 00

(a) Relating to Federal Reserve Bank of New York

Source Federal Reserve Bulletin and Reuter

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

MONEY MARKET RATES

(Per cent)

Countries	Description	Average of Months					
		1950	1955	1956	1957	1958	1959
Treasury Bill Rates							
1 Australia	Tap 3 months	. 0 75	1 00	1 00	1 00	1.00	1.00
2 Belgium	Tap 4 months	1 31	1 31	1 31	1 76	3 40	2 38
3 Canada (a)	Tender 3 months	0 55	1 62	2 92	3.76	2 25	4 81
4 India (b)	Tender 3 months	. 1 51	2 51	2 51	1 46	1 58	
5 Italy	Tap 3-4 months	3 25	2 75	2 75	2 75	2 46	2 25
6 Netherlands	Tender 3 months	1 40	0 96	2 38	4 07	3 01	1 85
7 Union of South Africa (c)	Tender 3 months	. 1 00	3 00	3 25	3.25	3 63	3 45
8 United Kingdom	Tender 3 months	0 51	3 73	4 93	4 80	4 56	3 37
9 United States of America	Tender 3 months	1 22	1 74	2 66	3 26	1 84	3 42
Other Rates							
10 France (d)	Call Money rate	2 43	3 16	3 19	5 36	6 49	4 07
11 India (e)	Call Money rate	0 58	2 67	3 18	2 25— 4 75	1.12— 4 44	0 75— 3.75
12 Japan (f)	Call Money rate	6 41	7 36	6 57	10 94	9 69	8 36
13 Netherlands	Call Money rate	1 07	0 62	1 34	3 29	2 48	1 42
14 Switzerland	Private discount rate	1 50	1 50	1 50	2 18	2 50	2 10
15 Union of South Africa	Commercial overdraft rate	5 00	5 63	6 00	6 00	6.29	..
16 United Kingdom	3-month bankers' acceptances	0 69	3 75	5 05	4 98	4 75	3 49
" "	Call Money rate	0 62	2 99	4 01	4 17	4.05	2 75
17 United States of America	Prime 90-day bankers' acceptances	1 15	1 72	2 64	3 45	2 04	3 49

(a) Beginning 1955, new series (b) Sales of Treasury Bills to the public remained suspended during the periods (i) December 20, 1949 to September 9, 1952 and (ii) April 6, 1956 to July 28, 1958 (c) 6-month bills prior to June 1953 Prior to June 1958, tap rates (d) Beginning January 1957, rate shown is on private securities. Previous figures are averages of rates on Government and private securities (e) Inter-bank call money rate in Bombay; prior to 1957 data are averages of Friday quotations; subsequent data provide ranges during the period (f) In Tokyo

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 5

IN SELECTED COUNTRIES

per annum)

1959												
Jan	Feb	Mar.	April	May	June	July	Aug.	Sept	Oct.	Nov	Dec	
1 00	1 00	1 00	1 00	1.00	1 00	1 00	1 00	1.00	1 00	1 00	1 00	1
2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	2.25	2.25	2 50	3 50	2
3 28	4 07	4 30	4 76	4 90	5 11	5 47	5 33	5 50	5 02	4 86	5 12	3
2 48	2 56	2 70	2 78	2 80	2 77	2 68	2 52	2 47	2 44	2 40	2 37	4
2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	2 25	5
2 04	1 75	1 68	1 61	1 63	1 82	1 79	1 63	1 66	2 03	2 01	2 52	6
3 59	3 52	3 53	3 55	3 52	3 49	3 46	3 46	3 44	3 35	3 28	3 28	7
3 13	3 10	3 30	3 25	3 33	3 45	3 46	3 49	3 48	3 44	3 39	3 61	8
2 84	2 71	2 85	2 96	2 85	3 25	3 24	3 36	4 04	4 12	4 21	4 57	9
4 39	4 23	4 36	4 13	3 88	3 67	4 27	3 93	4 05	3 87	4 02	4 07	10
3 25—	3 37—	3 50	3 50—	3 50—	1 00—	0 75—	1 25—	1 50—	1 50—	0 75—	2 50—	11
3 75	3 50	3 75	3 75	3 50	3 50	3 50	3 50	2 50	3 50	2 50	3 50	
7 67	8 58	8 76	8 39	8 03	8 57	8 39	8 39	8 39	8 39	8 39	8 39	12
1 58	1 26	1 42	1 50	1 34	1 46	1 48	1 15	1 31	1 50	1 50	1 50	13
2 50	2 50	2 25	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	14
6 34	6 00	6 00	6 00	6 00	6 00	6 00	6 00	6 00	6 00		.	15
3.28	3 23	3 41	3 40	3 43	3 54	3 57	3 60	3 59	3 58	3 55	3 72	16
2 73	2 73	2 67	2 69	2 67	2 74	2 79	2 76	2 78	2 82	2 77	2 85	
2 75	2 75	2 88	2 98	3 17	3 31	3 45	3 56	4 07	4 25	4 25	4 47	17

Sources United Nations Monthly Bulletin of Statistics, Japanese Economic Statistics (Japanese Government), Federal Reserve Bulletin, and Quarterly Bulletin of Statistics of South African Reserve Bank

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 6
WORLD GOLD PRODUCTION

(Thousands of fine ounces)

COUNTRIES	1950	1955	1956	1957	1958	1959 (a)	Percentage increase (+) or decrease (-) of 1958 over 1959
I. British Commonwealth	18,760	21,926	22,994	24,331	25,180 (a)	27,520	+ 9 3
(i) Union of South Africa	11,664	14,601	15,897	17,031	17,656	20,060	+ 13 6
(ii) Canada	4,441	4,542	4,384	4,434	4,571	4,450	- 2 6
(iii) Australia	861	1,049	1,030	1,084	1,100	1,075	- 2 3
(iv) Ghana	689	687	638	790	853	900	+ 5 5
(v) Southern Rhodesia	511	525	536	537	555	570	+ 2 7
(vi) India	197	211	209	179	170	165	- 3 9
(vii) New Zealand	77	26	26	30	25	25	-
(viii) Others	320	285	274	246	250 (a)	275	+ 10 0
II. Latin American Countries							
(i) Colombia	379	381	438	325	372	380	+ 2 2
(ii) Mexico	408	383	350	346	322	315	- 2 2
(iii) Brazil	163	145	162	150	186	180	- 3 2
(iv) Peru	148	171	159	165	159	150	- 5 7
(v) Chile	190	123	94	104	111	110	- 0 9
III. United States of America	2,289	1,877	1,865	1,800	1,759	1,600	- 9 0
IV. All Countries (b)	24,560	27,200	28,300	29,400	30,300 (a)	32,405	+ 6 9
British Commonwealth							
Percentage	76 4	80 6	81 3	82 8	83 1	84 9	
Union of South Africa							
Percentage	47 5	63 7	56 2	57 9	58 3	61 0	

(a) Estimated or provisional figure. (b) Excludes gold production of the USSR.

Source Union Corporation Limited, South Africa

STATEMENT 7
WORLD SILVER PRODUCTION (a)

(Millions of ounces)

COUNTRIES	1954	1955	1956	1957	1958	1959	Percentage increase (+) or decrease (-) of 1958 over 1959
Mexico	39 9	48 0	43 1	47 1	47 6	43 2	- 9 2
United States of America	35 6	36 5	38 7	38 7	36 8	24 0	- 31 8
Canada	31 1	28 0	28 4	28 8	31 1	32 9	+ 5 8
Peru	20 4	22 9	23 0	24 8	24 2	24 0	- 0 8
Bolivia	5 0	5 9	7 5	5 4	6 0	6 0	-
Other South and Central American Countries	7 8	6 2	7 1	6 8	7 6	7 5	- 1 3
Total Western Hemisphere	139 8	147 5	147 8	151 6	153 3	137 6	- 10 2
Outside the Western Hemisphere	49 4	50 9	51 7	53 0	58 0	58 0	-
India ..	0 161	0 132	0 105	0 126	0 110	0 125	+ 13 6
World Production	..	189 2	198 4	199 5	204 6	211 3	- 7 4

(a) Excluding Communist dominated areas

Source Handy and Harman.

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STATEMENT 8

PRICES (a) (SPOT) OF SILVER IN LONDON AND NEW YORK

(Per fine ounce)

	London				New York			
	Highest d	Lowest d	Average(b) d Rs		Highest cents	Lowest cents	Average(b) cents Rs	
	1	2	3	4	5	6	7	8
1950	70 00	63 00	64 80	3 60	80 00	71 75	74 17	3 53
1955	80 25	73 75	77 51	4 31	92 00	85 25	89 10	4 24
1956	81 38	76 63	79 13	4 40	91 63	90 00	90 83	4 33
1957	80 50	77 13	78 93	4 39	91 38	89 63	90 82	4 32
1958	78 75	74 75	76 21	4 23	90 38	88 63	89 04	4 24
1959	80 25	75 88	78 82	4 38	91 63	89 88	91 20	4 34
January 1959	76 63	75 88	76 25	4 24	90 38	89 88	90 19	4 29
February "	78 00	76 63	77 21	4 29	90 88	90 38	90 43	4 31
March "	79 38	78 75	79 28	4 40	91 38	91 13	91 35	4 35
April "	79 38	79 13	79 20	4 40	91 38	91 38	91 38	4 35
May "	79 13	78 88	79 10	4 39	91 38	91 38	91 38	4 35
June "	78 50	78 25	78 33	4 35	91 38	91 38	91 38	4 35
July "	78 63	78 00	78 26	4 35	91 38	91 37	91 37	4 35
August "	79 00	78 63	78 83	4 38	91 62	91 37	91 39	4 35
September "	79 00	78 75	78 90	4 38	91 62	91 37	91 39	4 35
October "	80 25	79 13	79 95	4 44	91 37	91 37	91 37	4 35
November "	80 25	80 25	80 25	4 46	91 37	91 37	91 37	4 35
December "	80 25	80 25	80 25	4 46	91 37	91 37	91 37	4 35

Note.—The rupee equivalent of average prices shown in columns 4 and 8 have been computed on the basis of the official exchange rates of 1*sh* 6*d* and 21 U.S. cents per rupee.

(a) Closing prices. (b) Average of working days

Source—Handy and Harman for annual data, monthly figures are based on the quotations supplied by the Press Trust of India Ltd.

STATEMENT 9

SELECTED ECONOMIC INDICATORS—INDIA

Item	Unit/Base	March	1960								
			April	May	June	July	August	Sept	Oct	Nov	Dec.
I. Production and Prices											
1. Industrial Production Index											
(i) Seasonally adjusted	1951 = 100	145.8	145.8	143.7	146.1	152.2	151.5	155.7	153.8	161.5	166.9
(ii) Unadjusted	"	151.2	145.2	143.3	142.2	153.9	150.8	153.1	146.5	155.0	175.6
2. Wholesale Price Index											
(i) All Commodities	1952-53 = 100	112.4	112.0	114.0	115.6	116.8	117.1	117.2	119.3	118.2	117.9
(ii) Food Articles	"	113.8	113.1	116.1	118.7	121.0	121.7	120.5	124.0	121.4	118.2
3. Consumer Price Index (All India)	1949 = 100	117	117	119	122	124	125	124	126	122	122
4. Security Price Index											
(i) Government and semi-Government Securities	1952-53 = 100	100.7	100.7	100.7	100.8	100.8	101.0	101.2	101.4	101.7	101.6
(ii) Variable Dividend Industrial Securities	"	144.6	149.0	150.8	149.8	154.1	153.9	153.1	156.1	157.2	157.6
5. Bullion Prices (Bombay Spot)											
(i) Gold	Rs per tola	119.54	122.17	121.77	120.59	119.53	120.84	121.81	123.90	124.79	124.85
(ii) Silver	Rs per 100 tolas	198.49	201.11	196.61	194.44	196.44	201.15	203.52	207.41	210.70	209.57
6. Labour Statistics											
Number of main-days lost through industrial disputes											
7. Number of applicants	000's	356	487	806	805	742	382	221	275	257	402
(i) Placed in employment	"	1,218	1,237	1,252	1,288	1,347	1,377	1,409	1,402	1,413	1,421
(ii) On live register	"										
III. Money and Banking											
8. Money Supply with the Public	Crores of Rs	2,498.8	2,581.1	2,530.5	2,460.8	2,450.9	2,451.4	2,431.1	2,470.5	2,472.3	2,519.6
9. Reserve Bank of India											
(i) Central Government Deposits	"	53.8	53.6	71.7	59.5	60.2	61.4	60.7	61.2	61.4	61.7

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(ii) State Government's deposits	"	26.7	33.0	16.0	16.6	22.3	33.8	17.7	30.3	27.2	24.7	21.3	30.2	43.0
(iii) Holdings of Rupee Securities	"	1,543.0	1,626.6	1,634.5	1,648.1	1,605.8	1,571.4	1,524.5	1,522.3	1,540.2	1,564.3	1,594.7	1,622.0	1,694.5
(iv) Other loans and advances	"	113.4	73.4	61.2	64.8	66.3	73.5	78.0	92.5	81.2	92.4	107.8	121.1	156.5
10. Foreign Exchange Reserves	"	378.9	366.8	361.0	356.3	349.3	351.7	351.8	372.7	377.4	387.5	386.5	367.4	362.9
11. Scheduled Banks														
(i) Demand liabilities (a)	"	722.4	754.4	719.5	738.2	711.9	723.7	712.4	701.3	717.1	716.9	742.1	742.3	781.3
(ii) Time liabilities (a)	"	912.6	937.9	986.9	998.7	1,052.4	1,063.9	1,086.5	1,097.5	1,117.7	1,110.2	1,115.4	1,130.9	1,120.7
(iii) Bank credit (b)	"	1,013.7	1,020.4	1,011.9	985.2	956.8	937.1	920.4	941.5	923.0	964.5	1,019.8	1,060.9	1,127.9
(iv) Investments in Government securities	"	613.4	616.1	635.0	636.2	714.7	725.9	784.6	794.1	812.8	787.5	784.6	764.1	714.7
(v) Cash reserves	"	107.8	131.8	113.5	138.6	116.5	124.9	111.8	110.7	119.5	114.1	114.6	121.4	152.9
(vi) Debt to current deposit accounts (c)	"	1,704.3	1,766.1	1,637.1	1,546.8	1,768.4	1,583.1	1,694.8	1,707.8	1,732.0	1,993.8	1,809.2	1,756.9	..
12. Inter bank call money rate (Bomday) (d)	Per cent per annum	34	31-34	31-34	1-34	2-34	1-34	1-34	1-34	2-34	34	34	34	34
13. Yield on 3 per cent Conversion loan of 1966 or later (e)	"	4.05	4.05	4.06	4.07	4.05	4.06	4.03	4.01	4.03	4.06	4.04	4.04	4.07
14. Government Debt														
14.1. Rupee debt of the Government of India	Crores of Rs	2,181.0	2,180.5	2,180.5	2,275.8	2,248.3	2,247.7	2,248.3	2,248.2	2,248.2	2,438.2	2,438.2	2,438.2	2,438.2
(i) Rupee loans (f)	"	1,225.3	1,273.6	1,317.9	1,330.7	1,305.3	1,330.3	1,325.1	1,283.1	1,320.2	1,176.1	1,228.9	1,195.5	1,297.6
(ii) Treasury Bills outstanding	"	107.105	94	110	120	109	101	106	113	..	..	..	..	..
V. Trade														
15. Exports (value)	Crores of Rs	75.6	98.9	73.2	81.4	67.3	61.8	70.3	66.4	71.0	69.8	62.6	69.9	75.4
16. Imports (value)	"	47.0	44.7	44.1	42.9	50.9	57.2	58.5	59.9	60.7	69.6	52.0	49.8	53.4
17. Net balance of trade	"	-28.7	-54.2	-29.2	-38.5	-16.5	-57.6	-11.8	-6.5	-10.7	-0.2	-10.5	-19.4	-22.3
18. Import price Index	1952-53=100	87	87	86	96	82	76	86	88	89	84	..	..	..
19. Export Price Index	"	93	91	90	90	90	91	94	89	94	95	..	..	..
20. Terms of trade (g)	"	107	105	105	94	110	120	109	101	106	113	..	..	..
21. Import Volume Index	"	135	167	139	146	140	140	146	136	143	150	..	..	..
22. Export Volume Index	"	108	104	104	99	120	135	135	142	136	153	..	..	..
23. Number of wagons loaded	000's	1,349	1,285	1,245	1,189	1,212	1,189	1,153	1,182	1,242	1,379	1,397	1,370	1,445

Note. Figures for all the items relate to the month except those of items 7(n), 10 and 14 which relate to end of period and those of items 8, 9 and 11 which relate to last Friday.

(a) Excludes inter-bank borrowings. (b) Comprising advances and bills purchased and discounted. (c) Includes debits to cash credits and overdrafts due to local head offices of the banks and provide ranges during the period and are exclusive of brokerage. (d) Running yield. (e) Includes the Hyderabad loans taken over by the Government of India under the States Reorganization Act 1956. (f) Ratio of Export Price Index to Import Price Index.

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STATEMENT 10

NATIONAL INCOME BY INDUSTRIAL ORIGIN

(In Rs Abja) (a)

	1950-51	1955-56	1956-57	1957-58	1958-59 (b)
A. AT CURRENT PRICES					
<i>Agriculture.</i>					
1. Agriculture, animal husbandry and ancillary activities	47.8	43.9	53.8	51.4	60.4
2. Forestry	0.7	0.7	0.8	0.8	0.8
3. Fishery	0.4	0.6	0.6	0.7	0.7
4 Total of agriculture	48.9	45.2	55.2	52.9	61.9
<i>Mining, manufacturing and small enterprises</i>					
5 Mining	0.7	1.0	1.2	1.4	1.3
6 Factory establishments . . .	5.5	7.8	9.0	9.8	10.0
7 Small enterprises	9.1	9.7	9.8	10.0	10.1
8 Total of mining, manufacturing and small enterprises	15.3	18.5	20.0	21.2	21.4
<i>Commerce, transport and communication</i>					
9 Communication (post, telegraph & telephones)	0.4	0.5	0.5	0.5	0.6
10 Railways	1.8	2.5	2.8	3.2	3.3
11 Organised banking and insurance	0.7	0.9	1.1	1.2	1.2
12 Other commerce and transport	14.0	14.9	15.2	15.8	16.0
13 Total of commerce, transport and communication	16.9	18.8	19.6	20.7	21.1
<i>Other Services</i>					
14 Professions and liberal arts	4.7	5.6	5.8	6.2	6.4
15 Government services (administration)	4.3	5.7	6.1	6.6	7.3
16 Domestic service	1.3	1.4	1.5	1.6	1.7
17 House property	4.1	4.6	4.8	4.9	5.0
18 Total of other services	14.4	17.3	18.2	19.3	20.4
19 Net domestic product at factor cost	95.5	99.8	113.0	114.1	124.8
20. Net earned income from abroad	-0.2	0.0	0.1	-0.1	-0.1
21 Net National output at factor cost = National Income	95.3	99.8	113.1	114.0	124.7
B. AT 1948-49 PRICES					
1 Agriculture, animal husbandry and ancillary activities (c)	43.4	50.2	52.5	50.1	55.8
2 Mining, manufacturing and small enterprises	14.8	17.6	18.4	18.6	18.7
3. Commerce, transport and communication .	16.6	19.7	20.8	21.1	22.1
4 Other services (d) . . .	13.9	17.3	18.2	19.2	20.4
5. Net domestic product at factor cost	88.7	104.8	109.9	109.0	117.0
6 Net earned income from abroad . . .	-0.2	0.0	0.1	-0.1	-0.1
7. Net national output at factor cost = national income . . .	88.5	104.8	110.0	108.9	116.9

(a) Abja = 100 crores (b) Preliminary (c) Including forestry and fishery. (d) Comprising professions and liberal arts, Government service (administration), domestic service and house property.

Source : Estimates of National Income published by the Central Statistical Organisation, Government of India.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT II

INDEX NUMBERS OF AGRICULTURAL PRODUCTION
(Agricultural year ended June 1950 = 100)

Commodities Groups	Weight	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
Rice ..	35.3	87.9	90.1	96.8	118.6	105.8	114.2	119.1	104.8	125.2
Wheat ..	8.5	101.1	93.9	112.7	120.0	135.4	131.3	141.6	116.5	145.9
Jowar ..	5.0	89.8	96.4	106.6	117.0	132.3	96.7	105.9	120.5	126.9
Bajra ..	2.7	83.8	75.8	94.8	135.0	107.8	108.3	92.0	112.3	120.9
Maize ..	2.1	84.4	101.3	123.3	130.2	127.5	112.3	132.0	133.2	131.2
Total Cereals ..	58.3	90.3	91.2	101.4	120.1	114.5	114.9	119.9	108.6	127.3
Gram ..	3.7	98.0	88.2	109.2	125.4	145.9	138.9	163.2	129.7	177.8
Total Pulses ..	8.6	91.7	90.3	98.8	112.0	118.5	118.4	124.5	104.2	134.1
Total Foodgrains ..	66.9	90.5	91.1	101.1	119.1	115.0	115.3	120.5	108.0	128.2
Groundnut ..	5.7	101.4	93.0	85.3	100.3	123.6	112.4	124.2	129.5	140.6
Total Oilseeds ..	9.9	98.5	97.4	91.9	103.7	122.6	108.6	118.9	113.8	131.5
Cotton ..	2.8	110.7	119.2	121.0	151.8	163.6	153.9	182.2	179.6	178.3
Jute ..	1.4	106.3	151.4	148.6	100.0	94.8	135.8	138.7	131.1	167.5
Mesta ..	0.3	100.0	104.8	103.3	98.5	136.5	174.7	223.9	195.6	239.5
Total Fibres ..	4.5	108.6	128.3	128.4	132.1	140.4	149.7	171.4	165.6	179.0
Tea ..	3.3	103.8	109.6	115.4	100.6	110.4	108.5	113.0	115.0(a) 120.1(a)	
Coffee ..	0.2	112.3	112.7	125.9	146.5	151.8	196.1	204.1	212.4(a) 222.9(a)	
Rubber ..	0.1	93.8	94.4	106.1	131.8	127.6	146.1	143.9	145.9(a) 149.3(a)	
Total Plantation Crops ..	3.6	104.0	109.4	115.7	104.0	113.2	114.4	118.9	121.3	126.6
Sugarcane ..	8.7	113.7	122.8	101.6	89.5	115.9	119.8	135.3	135.0	140.6
Tobacco ..	1.9	97.3	78.0	91.3	101.5	95.1	112.9	111.4	95.5(b) 97.4(a)	
Total Miscellaneous ..	15.1	110.3	114.0	101.5	97.4	115.8	120.1	127.5	127.2	129.7
Total Non-Foodgrains ..	33.1	105.9	110.5	103.8	104.7	120.9	120.1	130.0	127.8	136.6
All Commodities ..	100.0	95.6	97.5	102.0	114.3	117.0	116.9	123.6	114.6	131.0

Note The indices for 1956-57 and 1957-58 are generally based on partially revised estimates while those for 1958-59 are generally based on final estimates The indices for these years are, therefore, subject to revision

(a) Based on provisional estimate (b) Based on final estimates.

Source Agricultural Situation in India (August 1959) published by the Ministry of Food and Agriculture, Government of India

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

AREA AND PRODUCTION OF

Commodities	1950-51 (a)		1955-56	
	Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)
FOODGRAINS				
Cereals				
1. Rice	75,414	23,170	77,891	27,122
2. Wheat	24,114	6,290	30,559	8,622
3. Jowar	38,335	5,777	42,903	6,619
4. Bajra	22,881	2,790	28,018	3,374
5. Maize	8,061	2,014	9,132	2,561
6. Ragi	5,450	1,520	5,701	1,817
7. Barley	7,860	2,215	8,447	2,771
8. Small Millets	13,382	2,242	13,184	2,037
Total Cereals	195,497	46,018	215,835	54,923
Pulses				
9. Gram	20,497	3,667	24,166	5,332
10. Other pulses	29,336	4,363	33,202	5,539
Total Pulses	49,833	8,030	57,368	10,871
Total Foodgrains (Cereals & Pulses)	245,330	54,048	273,203	65,794
NON-FOODGRAINS				
11. Sugar (Raw)	4,217	5,615	4,564	5,979
12. Oilsseeds	26,508	5,076	29,863	5,643
(i) Groundnut (Nuts in Shell)	11,106	3,426	12,685	3,801
(ii) Rape and Mustard	5,118	750	6,316	846
(iii) Sesamum	5,445	438	5,657	460
(iv) Linseed	3,467	361	3,777	413
(v) Castorseed	1,372	101	1,418	123
13. Cotton (Lint)(d)	14,536	2,910	19,981	3,998
14. Jute(c)	1,411	3,283	1,739	4,198
15. Mesta(c)	..		571	1,153
16. Silk (Raw)(d)(e)		2,629		3,081
17. Tea(e)	777	607,318	780	627,669
18. Coffee(e)	224	54,322	249	75,784
19. Rubber(e)	144	31,829	174	49,550
20. Tobacco	883	257	1,013	298
21. Lac(f)	..	1,073		1,248

Note. (1) Figures relate to the agricultural year ending June. Items 16, 17 and 19 refer to the Calendar year and gram relate to reporting and non-reporting areas, estimates of production for non-reporting areas in respect of other estimates while those for 1958-59 are final estimates. The available partially revised estimates for 1958-59 are shown

(a) Data regarding foodgrains relate to 1949-50 which was the base year in respect of foodgrains for the First by the Central Silk Board (e) Production is in lbs (f) Production is in maunds (g) Provisional

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 12

AGRICULTURAL COMMODITIES

(000's omitted)

1956-57		1957-58		1958-59	
Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)	Area (Acres)	Production (Tons)
79,320	28,282	79,447	24,885	81,590 (81,437)	29,721(30,354)
33,580	9,314	29,300	7,741	30,966	9,694
40,367	7,249	42,203	8,246	42,608 (42,584)	8,689 (8,714)
27,684	2,885	27,236	3,522	27,905 (27,999)	3,791 (3,789)
9,197	3,009	9,819	3,036	10,314 (10,457)	2,990 (3,381)
5,831	1,715	5,731	1,655	5,930 (6,192)	1,722 (1,877)
8,726	2,827	7,549	2,238	8,164	2,640
12,230	1,964	11,848	1,671	12,156	2,048
217,135	57,245	213,133	53,004	219,633	61,295
24,265	6,264	22,862	4,979	24,840	6,826
33,950	5,239	32,616	4,528	34,130	5,382
58,215	11,503	55,478	9,507	58,970	12,208
275,350	68,748	268,611	62,511	278,603	73,503
5,057	6,752	5,080	6,871	4,836	7,158
30,778	6,176	30,339	6,051	31,002	6,919
13,450	4,200	14,876	4,436	14,481 (14,575)	4,816 (4,812)
6,311	1,026	5,979	923	6,288	1,069
5,446	442	5,171	354	5,332 (5,500)	493 (511)
4,156	384	3,129	249	3,708	430
1,415	124	1,184	89	1,193 (1,203)	111 (112)
19,893	4,735	19,996	4,739	19,825	4,705
1,908	4,288	1,742	4,052	1,827 (1,811)	5,178 (5,158)
733	1,478	764	1,291	851 (825)	1,581 (1,488)
	2,974		3,184	..	..
781(g)	636,499(g)	788(g)	684,738(g)	..	..
232	78,860	244(g)	88,769(g)	..	..
191	48,622				
1,029	294	872	237	896	263
*	1,315	..	1,141	..	1,014

(1) Figures for 1950-51 relate to 1950 and so on. Item 21 refers to the financial year. (2) Figures in respect of cereals crops are not available but are not likely to be significant. (3) Figures for 1956-57 and 1957-58 are partially revised in brackets. These figures are subject to revisions.

Five-Year Plan. (b) Production is in bales of 392 lbs (c) Production is in bales of 400 lbs. (d) Figures supplied

Source : Ministry of Food and Agriculture

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STATEMENT 13
INDUSTRIAL PRODUCTION

Industry	Weight	Indices (a)				Unit	Actual Production		Target for the Second Five Year Plan (1960-61)
		1955	1956	1957	1958		1957	1958	
1 Coal	6.69	111.4	114.9	126.8	132.2	137.1	000 Tons	4,35,00	4,53,36 4,70,28 6,00,00
2 Iron ore	0.47	116.7	116.1	126.3	156.3	212.2	000 Tons	46,20	57,12 77,52 1,25,00
3. Sugar	4.27	143.0	166.5	185.5	175.6	186.8	000 Tons	20,04(b)	19,20(b) 22,50(b)
4. Tea	5.94	106.2	166.0	106.9	113.8	112.6	00,000 Lbs	67,32	71,40 70,56 70,00
5 Salt	0.82	109.0	119.5	132.7	151.3	114.6	00,000 Mds	9,87	11,25 8,52 10,00
6 Vegetable oil (Vanaspati)	0.62	151.3	148.3	174.9	171.3	183.8	000 Tons	3,01	2,95 3,17 4,00
7 Cigarettes	1.50	106.4	122.6	134.7	139.1	149.9	00,00,000's	28,89	29,84 32,14 ..
8 Cotton Textiles	36.10	111.9	117.5	115.6	108.9	111.5			
(a) Yarn	12.03	117.3	122.0	127.5	123.1	128.2	00,000 Lbs	1,77,96	1,68,48 1,72,32 1,95,00
(b) Cloth	24.97	109.2	115.2	109.7	101.8	103.1	00,000 Yds	5,31,72	4,92,72 4,92,60 5,25,00
9 Jute Textiles (c)	11.91	118.9	127.3	120.5	123.9	125.4			
(a) Hessian (d)	4.96	124.6	128.9	128.6	126.4	142.2	000 Tons	4,20	4,08 4,56
(b) Sacking	6.32	110.4	116.3	105.4	111.9	96.8	000 Tons	5,52	5,88 5,04 } 11,00
10 Footwear (Leather)	0.85	97.1	114.3	129.6	132.4	144.2	00,000 pairs	74	76 82 10,20
11 Paper and paper-boards	1.57	140.2	146.6	159.3	191.8	222.9	000 Tons	2,10	2,53 2,94 3,50
12 Footwear (Rubber)	0.80	151.4	156.6	160.0	159.1	170.3	00,000 pairs	3,72	3,72 3,96 ..
13 Tyres (e)	2.20	138.2	151.4	170.1	193.0	223.9	000's	9,96	10,08 11,40 14,60
14 Sulphuric acid	0.20	155.4	154.5	183.3	211.9	262.6	000 Tons	1,96	2,27 2,81 4,70
15 Caustic soda (f)	0.10	232.7	267.7	289.7	388.5	466.3	000 Tons	43	57 70 1,35
16 Bleaching powder (f)	0.02	75.3	130.0	149.1	181.7	142.5	Tons	53,40	65,04 51,84 ..
17. Ammonium sulphate	0.19	745.8	738.1	720.3	729.0	718.2	000 Tons	3,80	3,84 3,79 2,90 (g)
18. Paints and varnishes	0.77	116.6	124.2	126.2	143.3	162.0	000 Tons	4.2	4.8 5.5 6.0
19. Matches (g)	0.87	106.6	106.6	100.1	108.3	112.2	000 Cases(h)	5.76	6.24 6.48 7.00
20 Soap (j)	1.38	118.7	132.1	133.8	148.0	149.5	000 Tons	1,12	1,23 1,25 3,00

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21.	Rayon (<i>f</i>)	0.20	280.2	355.8	459.8	644.0	724.5	Tons 1,90.20
22.	Glass and glassware (<i>f</i>) ..	0.63	127.8	148.7	162.3	196.3	214.4	000's Sq. ft. 5,42.28
23.	Cement	1.85	140.4	154.2	175.3	189.9	211.6	000 Tons 56.04
24.	Ceramics (<i>m</i>)	0.62	127.5	156.1	174.0	208.5	252.5	000 Tons 3.72
25.	Iron and steel	5.92	113.3	119.4	119.3	119.1	163.1	4.32 4.92 8.00
	(a) Pig iron and ferro-alloys	1.69	103.9	107.3	104.8	115.2	167.7	000 Tons 19.08
	(b) Finished steel	4.23	117.1	124.2	125.1	120.7	161.3	000 Tons 13.44
26.	Non-ferrous metals	1.20	123.7	124.7	151.7	166.5	207.5	12.96 17.40 43.00
	(a) Aluminium (<i>n</i>)	0.19	187.7	168.9	202.3	212.6	443.1	Tons 1,09.20
	(b) Copper (Virgin metal)	0.34	102.8	107.7	110.8	110.7	107.9	Tons 23.40
	(c) Brass	0.67	116.1	120.9	158.2	181.7	191.3	Tons 1,77.84
27.	Gold	0.92	93.4	92.4	79.2	75.1	73.0	000 Fine ounces 1.79
28.	Hurricane lanterns	1.37	138.0	130.3	109.3	85.0	98.5	000's 43.44
29.	Flame-ware	0.68	193.3	187.1	173.6	199.5	179.3	000 pieces 1,41.12
30.	Diesel engines	0.21	141.0	165.8	229.6	255.6	414.6	Nos 1,99.80
31.	Sewing machines	0.14	228.2	293.3	376.7	461.5	566.6	000's 1,67
32.	Dry cells	0.29	112.3	126.5	116.2	117.3	130.6	00,000's 16.68
33.	Storage batteries	0.16	112.0	149.6	154.5	169.3	210.6	000's 3.24
34.	Electric lamps	0.10	156.2	198.0	213.6	196.4	224.5	000's 3,31.44
35.	Electric fans	0.30	132.8	159.5	246.9	299.1	342.1	000's 5.28
36.	Domestic refrigerators	"	"	"	"	"	"	Nos 9.48
37.	Automobiles	2.69	103.7	144.3	143.4	120.3	163.1	Nos 3,19.32
38.	Bicycles	0.23	429.8	581.0	691.8	798.6	867.0	000's 7.92
	General Index	100.00	122.4	132.6	137.3	139.7	151.1	9.12 9.96 12.50

(a) Average of months (b) Figures relate to crop year (November to October) and are in respect of cane sugar only (c) Relating to the production by mills in the membership of Indian Jute Mills Association and to one non-member mill (d) Production figures for 1959 are in terms of metric tons (e) Including figures for 1959 for Jammu and Kashmir (f) 50 gross boxes of 60 sticks each (g) In terms of fixed Nitrogen (h) Figures relate to production of organised factories (i) Relates to filament and circles only (j) Production figures relate to sheet glass only (m) Production and target figures relate to filament and circles only

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

STOCKS OF PRINCIPAL

RAW MATERIALS

At or about the end of	COTTON (a), (b)						COAL		Sugar (d)	MANUFAC		
	Indian		Foreign		Jute (c)		Pit head	Industries		Salt	Vegetable oil products (Vanaspatti)	Ciga- rettes
	000 bales	000 bales	000 bales	000	000 tons	000 tons	000 tons	000 tons		Lakh rds.	Tons	Lakhs
	1	2	3	4	5	6	7	8		9	10	
1950-51				566	2,621	2,318						
1955-56	1,443	179	1,357	3,811	1,675	1,311	432	266	7,470	3,750		
1956-57	1,408	205	1,374	3,000	1,645	1,520	542	209	7,237	4,800		
1957-58	1,120	224	1,455	3,522	2,585	1,551	458	348	8,516	4,300		
1958-59	1,136	139	1,986	3,195	3,045	1,977	361	472	8,540	4,570		
January 1959	850	69	1,860	2,905	2,860	2,068	757	509	4,918	5,250		
February "	1,006	68	1,960	3,238	2,734	2,164	972	471	6,463	4,630		
March "	1,164	74	1,986	3,195	3,045	1,977	1,169	472	8,540	4,570		
April "	1,324	93	1,969	3,153	2,735	1,862	1,156	548	7,903	4,010		
May "	1,441	109	1,849	3,281	2,657	1,733	1,006	646	8,072	4,020		
June "	1,451	142	1,678	3,279	2,796	1,701	833	711	9,403	3,950		
July "	1,343	157	1,492	3,083	2,821	1,888	663	796	11,549	4,130		
August "	1,279	160	1,308	2,805	2,831	1,754	506	762	8,798	5,030		
September "	1,150	151	1,143	2,694	2,975	1,817	337	733	5,860	5,300		
October "	1,053	144	1,174	2,427	2,927	1,829	173	659	7,693	5,250		
November "	1,003	135	1,436	2,325	2,741	1,729	223	583	5,981	5,760		
December "	1,047	151	1,692	2,686	2,608	1,842	482	494	6,929	7,250		

At or about the end of	MANUFAC						MANUFAC						
	Matches (f)		Soap		Rayon		Glass and glass- ware (sheet glass only)	Cement (Pro- ducers)	Ceramics (Refrac- tories)	Pig Iron (Pro- ducers)	Finished steel (Pro- ducers)	Alumi- num (Sheets and circles only)	Copper (Sheets and circles only)
	000 cases (g)	Tons 24	Tons 25	Tons 26	sq ft 27	000 tons 28	000 tons 29	000 tons 30	000 tons 31	000 tons 32	000 tons 33		
1950-51						67		47		123			
1955-56	5	3,320	645	6,434	96	56	50	50	107				180
1956-57	6	7,420	2,248	3,007	112	45	43	113		816	94		
1957-58	9	6,540	3,085	6,388	106	66	62	102		846	85		
1958-59	7	6,890	1,362	5,735	123	76	99	81		713	206		
January 1959	7	6,800	1,998	5,495	156	69	48	93		850	150		
February "	4	7,058	980	4,649	151	70	52	89		807	233		
March "	7	6,890	1,362	5,735	123	76	99	81		713	206		
April "	10	5,260	1,497	6,469	128	75	122	79		864	202		
May "	9	4,190	1,746	6,202	123	85	66	84		895	245		
June "	8	3,990	1,456	5,822	123	81	81	82		892	291		
July "	8	3,253	1,912	5,855	132	80	91	87		940	354		
August "	8	3,930	1,904	6,247	125	85	91	84		955	321		
September "	5	4,670	1,747	5,242	138	86	85	82		941	302		
October "	7	7,690	1,870	4,662	160	85	64			991	271		
November "	5	6,639	2,001	5,031	143	84	61	--		1,000	300		
December "	4	5,978	1,211	6,133	152	85	63			1,500	350		

(a) Mill Stocks 1 Bale = 392 lbs.

(b) Annual figures relate to August falling within the financial year

(c) Relating to mills in the membership of Indian Jute Mills' Association, 1 Bale = 400 lbs

(d) Annual figures relate to October falling within the financial year

(e) Figures are in metric tons from April 1959

(f) Includes figures for Jammu and Kashmir.

MENT 14

COMMODITIES WITH INDUSTRY

TURES

COTTON (a)		JUTE (i)		Foot wear (feather)	Paper and paper boards	Foot wear (Rubber)	Tyres (automobiles)	Sulphuric Acid	Caustic Soda	Bleaching Powder	Ammo-nium Sulphate	Paints and Varnishes
Yarn	Cloth	Hessian cloth bags	Sacking cloth bags									
Million lbs	Million yds	Thousand tons	Thousand tons	000 pairs	Tons	Lakh pairs	000's	Tons	Tons(e)	Tons(e)	Tons	Tons
11	12	13	14	15	16	17	18	19	20	21	22	23
41	334											
13	218	30	55	1,511	12,022	52	23	6,738	1,130	178	32,271	2,623
18	450	30	57	1,821	11,425	60	26	6,401	1,863	675	1,105	2,481
45	517	25	55	2,110	9,272	54	27	6,874	1,022	149	2,887	3,164
25	437	17	73	2,280	8,490	51	19	6,489	1,388	299	3,099	3,571
26	493	17	83	2,443	9,159	47	20	7,968	1,012	159	5,966	3,560
24	463	16	80	2,319	7,541	51	19	6,528	1,255	209	5,484	3,817
25	437	17	73	2,280	8,490	51	19	6,489	1,388	299	3,099	3,571
24	382	20	68	2,112	8,332	52	21	6,200	1,110	226	4,992	3,940
24	341	21	61	1,818	7,863	51	18	6,300	1,117	181	12,406	3,664
22	352	24	57	1,850	8,517	46	20	6,000	899	400	16,063	3,634
17	353	26	54	2,023	10,961	53	21	6,200	1,101	228	4,462	3,996
13	335	25	46	2,274	12,807	44	20	8,418	1,379	174	3,102	4,398
14	319	26	43	1,973	19,708	52	21	7,403	1,512	201	2,366	4,202
12	302	29	33	2,045	21,265	47	17	7,001	1,370	179	3,647	4,164
12	248	27	29	1,915	21,802	46	22	7,549	2,250	209	2,232	3,506
9	205	22	26	1,980	24,576	43	18	7,000	3,957	223	2,638	3,730

TURES—(Contd.)

Brass (Sheets and circles only)	Hurri- cane lanterns	Enamel ware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps	Electric fans	Domestic refrigera- tors			Auto- mobiles	Bi- cycles
									000's	000's	000's		
									Nos.	Nos.	Nos.		
Tons	000's	000 pieces	Nos.	Nos.	Lakhs	000's	000's	000's				000's	
34	35	36	37	38	39	40	41	42	43	44	45		
1,447	448	953	1,612	4,448	27	23	2,217	56	556	948	28		
1,046	597	952	927	8,581	60	25	2,019	45	128	2,092	58		
1,637	382	931	803	13,988	64	24	2,637	72	57	833	65		
1,084	126	871	985	21,949	42	20	1,721	74	232	554	75		
1,520	136	966	988	25,459	40	23	1,579	100	235	678	105		
1,100	214	936	995	24,983	45	19	1,592	108	184	707	103		
1,084	126	871	985	21,949	42	20	1,721	74	232	554	75		
1,337	141	836	1,021	26,868	63	23	1,807	64	439	663	69		
1,093	200	929	1,030	26,537	66	23	1,917	47	294	693	75		
1,223	176	976	989	24,923	51	18	1,928	59	127	961	71		
1,373	154	1,013	24,235	39	23	1,950	64	134	882	93			
1,226	154	705	1,317	25,746	50	24	2,012	70	180	1,017	75		
1,386	155	578	945	35,716	42	27	1,901	86	130	824	84		
1,331	288	376	1,774	31,318	33	25	1,057	79	86	850	81		
1,500	180	433	1,122	31,592	48	21	1,693	79	135	607	86		
1,600	192	451	935	32,000	47	23	1,425	83	121	979	86		

(g) 50 gross boxes of 60 sticks each

(h) Figures are in metric tons from August 1959

(i) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill

Sources : Ministry of Commerce and Industry, Indian Central Jute Committee, Ministry of Steel, Mines and Fuel, Ministry of Food and Agriculture, Monthly Abstract of Statistics and Monthly Statistics of the Production of Selected Industries of India.

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STATEMENT 15

EMPLOYMENT EXCHANGE STATISTICS

A. Employment Service

Period	No. of exchanges at the end of the period	No. of registrations during the period	No. of applicants placed in employment during the period	No. of applicants on live registers at the end of the period	No. of employers using the exchanges during the period (a)		No. of vacancies notified during the period	No. of vacancies being dealt with at the end of the period
					1	2	3	4
1950	123	1,210,358	331,193	330,743	5,566	419,307	28,189	
1955	136	1,584,024	169,735	691,938	4,880	280,523	42,248	
1956 "	143	1,669,895	189,855	758,593	5,436	296,618	42,805	
1957 "	181	1,774,668	192,831	922,099	5,632	297,188	45,156	
1958 "	212	2,203,888	233,320	1,183,299	6,485	364,884	64,680	
1959 "	244	2,471,596	271,131	1,420,901	7,470	424,393	84,903	
January 1959	212	187,924	19,255	1,195,926	6,693	28,713	65,267	
February "	216	173,513	19,966	1,210,523	6,664	27,885	63,792	
March "	223	163,386	17,860	1,217,650	6,876	33,641	70,623	
April "	228	197,538	22,575	1,236,988	7,335	41,396	80,040	
May "	229	194,396	25,537	1,252,214	7,888	44,122	88,503	
June "	231	229,802	26,531	1,287,783	7,795	41,379	92,379	
July "	232	265,326	25,827	1,347,314	8,220	36,541	90,328	
August "	234	218,309	24,070	1,377,096	7,673	34,759	89,403	
September "	234	228,417	23,982	1,408,903	7,743	33,493	85,027	
October "	237	181,262	21,343	1,401,937	7,256	30,780	81,733	
November "	238	211,413	22,327	1,413,215	7,633	35,631	82,990	
December "	244	220,310	21,858	1,420,901	7,866	35,553	84,903	
January 1960	253	193,515	22,106	1,425,589	7,633	33,214	85,580	
February "	258	175,591	22,256	1,400,965	7,635	32,959	85,262	
March "	270	185,310	22,430	1,387,525	7,832	35,757		

(a) Annual figures are averages of months

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STATEMENT 15—(Contd.)

EMPLOYMENT EXCHANGE STATISTICS

B : Occupational Distribution of Applicants on Live Registers

Number of Applicants on Live Registers seeking Employment Assistance in

As at the end of the period	Industrial Supervisory Services	Skilled and Semi-skilled Services	Clerical Services	Educational Services	Domestic Services	Unskilled Services	Others	Total	15
	8	9	10	11	12	13	14		
1955	4,441	57,165	195,862	20,468	22,833	354,318	36,871	691,958	
1956	4,781	59,999	215,520	25,395	25,716	388,423	38,669	758,503	
1957	5,929	71,508	267,757	40,246	32,018	460,639	44,002	922,099	
1958	8,923	88,665	308,203	56,157	43,823	620,249	57,279	1,183,299	
1959	13,747	105,263	356,170	68,981	53,100	754,079	69,561	1,420,901	
January	1959	8,913	91,683	313,616	54,513	45,146	627,165	54,890	1,195,926
February	"	9,261	95,309	314,293	51,628	47,243	636,497	56,292	1,210,523
March	"	9,007	96,150	309,963	51,261	50,317	643,174	57,773	1,217,550
April	"	9,178	96,660	314,829	55,660	49,382	652,971	58,303	1,236,988
May	"	9,942	98,107	317,085	63,555	46,705	657,218	59,602	1,252,214
June	"	11,033	100,458	333,568	75,925	44,938	659,186	62,675	1,287,783
July	"	12,146	99,489	354,235	84,878	47,556	682,636	66,384	1,347,314
August	"	12,877	101,771	363,173	83,448	49,432	699,038	67,357	1,377,096
September	"	12,985	100,730	363,407	79,527	51,704	731,008	69,542	1,408,903
October	"	13,155	99,758	355,696	75,067	50,807	738,219	69,235	1,401,937
November	"	13,942	102,934	352,174	71,517	51,420	751,983	69,245	1,413,215
December	"	13,747	105,263	356,170	68,981	53,100	754,079	69,561	1,420,901
January	1960	13,742	105,828	350,974	68,028	53,679	764,566	69,272	1,425,589
February	"	12,733	105,847	344,534	64,511	53,672	752,445	67,223	1,400,965
March	"	12,038	101,186	340,945	64,849	56,054	745,017	67,236	1,387,525

Source

Indian Labour Journal and Ministry of Labour and Employment, Simla

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STATEMENT 16

CONSUMER PRICE INDEX NUMBERS (WORKING CLASS)
(1949 = 100)

	All India	Bombay	Calcutta	Delhi	Madras	Ahmedabad	Bangalore	Jamshedpur	Kanpur
	1	2	3	4	5	6	7	8	9
Annual Average									
1950-51	..	101	103	101	102	101	104	108	109
1955-56	.	96	110	93	100	100	89	104	99
1956-57		107	116	102	112	113	101	118	108
1957-58		112	122	105	112	117	104	128	118
1958-59		118	130	109	117	126	115	132	123
1959-60		123(a)	136	112	119	135	124	142	126(a)
Monthly Indices									
March 1951		103	108	102	105	102	108	113	114
March 1956		100	114	93	105	105	93	108	103
March 1957		107	116	100	114	114	102	122	107
March 1958	.	110	124	104	108	119	102	128	109
March 1959		117	131	104	126	127	117	135	121
March 1960		122(a)	135	112	119	138	116	145	122(a)
April 1959		117	130	104	119	128	119	137	121
May ..		119	132	106	116	131	124	138	125
June ..		122	135	110	117	134	125	140	130
July ..		124	136	114	117	134	127	141	129
August ..		125	137	116	118	134	125	142	129
September ..	.	124	137	114	118	134	129	143	130
October ..		126	139	116	120	137	131	143	130
November ..	.	126	138	114	120	139	130	144	128
December ..		122	137	111	119	137	125	144	127
January 1960		122(a)	137	110	121	137	123	144	120
February	122(a)	136	111	122	139	119	144	121(a)
March ..		122(a)	135	112	119	138	116	145	122(a)

(a) Provisional

Source : Labour Bureau, Government of India.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 17

INDEX NUMBERS OF WHOLESALE PRICES BY GROUPS
(ANNUAL AND MONTHLY)

(1952-53 = 100)

Average of months/Average of weeks	All Commodities	Food Articles	Liquor and Tobacco	Fuel Power, Light and Materials Lubricants	Industrial Raw Materials	Manufactures		
						Total	Intermediate Products	Finished Products
Weights	1000	504	21	30	155	290	41	249
1955-56 ..	92.5	86.6	81.0	95.2	99.0	99.7	100.1	99.6
1956-57 ..	105.3	102.3	84.3	104.2	116.0	106.3	110.9	105.6
1957-58 ..	108.4	106.4	94.0	113.5	116.5	108.1	107.3	108.2
1958-59 ..	112.9	115.2	95.4	115.4	115.6	108.4	110.3	108.1
1959-60 ..	117.1	119.0	99.5	116.5	123.7	111.6	113.8	111.3
April 1958 ..	107.4	105.2	93.4	115.0	114.2	107.7	108.9	107.6
May	108.2	107.2	92.0	114.7	113.5	107.7	108.1	107.6
June	111.7	113.4	92.1	115.7	115.2	107.9	109.9	107.7
July	114.7	118.4	92.6	115.9	117.5	108.1	111.7	107.5
August	115.9	120.2	90.3	116.0	118.7	108.9	112.2	108.4
September	116.8	121.2	90.9	115.9	119.0	108.9	111.6	108.5
October	116.1	121.2	93.0	115.4	116.9	108.7	110.3	108.5
November	114.0	118.0	96.0	114.5	113.2	108.8	110.0	108.6
December	111.4	113.3	96.4	114.8	112.5	108.3	110.3	108.0
January 1959 ..	112.4	114.3	103.6	115.1	114.1	108.4	110.5	108.1
February	113.3	115.7	104.4	115.9	115.5	108.5	110.6	108.1
March	112.4	113.8	100.3	116.0	116.2	108.6	109.4	108.5
April	112.0	113.1	97.5	115.7	116.2	108.5	108.4	108.5
May	114.0	116.1	98.6	115.8	119.5	108.4	108.1	108.5
June	115.6	118.7	97.6	115.9	120.3	109.1	108.2	109.3
July	116.8	121.0	98.9	115.7	120.2	109.2	108.5	109.3
August	117.1	121.7	98.3	115.4	119.4	109.5	109.2	109.5
September	117.2	120.5	99.7	116.2	122.6	110.0	111.3	109.8
October	119.3	124.0	101.4	116.3	122.6	111.1	114.4	110.5
November	118.2	121.4	104.6	116.6	122.5	111.6	116.0	110.9
December	117.9	118.2	103.7	117.0	127.2	113.4	118.0	112.6
January 1960 ..	118.8	117.5	100.9	117.6	130.9	116.0	121.6	115.1
February	119.5	118.8	96.0	117.4	131.6	116.2	120.5	115.6
March	118.8	117.0	96.4	117.0	131.9	116.6	121.3	115.9

Source Office of the Economic Adviser to the Government of India.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

INDEX NUMBERS OF WHOLESALE PRICES

(1952-53)

Week ended	General Index	Food Articles				Liquor and Tobacco		Fuel, Power, Light and Lubricants		
		Total	Cereals	Pulses	Milk and Ghee	Total	Tobacco			
		Weights	1000	504	192	43	84	21	30	
			1	2	3	4	5	6	7	8
1 April	4, 1959	111.9	113.2	99.8	102.3	113.2	97.5	95.8	115.6	
2	11, ..	112.4	114.1	100.3	99.1	115.8	97.5	95.8	115.7	
3	18, ..	112.0	113.0	97.5	93.0	117.9	97.5	95.8	115.7	
4	25, ..	111.6	112.1	98.2	90.3	113.0	97.5	95.8	115.7	
5 May	2, ..	112.4	113.5	97.5	90.2	114.4	98.3	96.7	115.6	
6	9, ..	113.5	115.4	98.0	92.4	117.5	99.0	97.4	115.7	
7	16, ..	114.8	117.3	99.1	96.9	116.9	99.0	97.4	115.9	
8	23, ..	114.7	117.2	99.6	97.4	115.8	100.0	98.5	115.8	
9	30, ..	114.6	116.9	100.3	97.0	114.4	96.5	94.8	115.8	
10 June	6, ..	114.6	116.7	100.7	97.1	110.2	96.8	95.1	116.3	
11	13, ..	116.2	120.0	101.1	96.3	123.6	96.7	95.0	116.3	
12	20, ..	116.1	119.4	102.1	95.5	119.1	97.9	96.3	116.4	
13	27, ..	115.6	118.5	103.1	95.3	112.2	99.0	97.4	115.9	
14 July	4, ..	116.1	119.6	105.0	95.8	114.9	99.0	97.4	115.9	
15	11, ..	116.7	120.7	106.5	96.2	115.5	99.1	97.5	115.8	
16	18, ..	117.7	122.7	107.6	95.3	127.2	99.1	97.5	115.7	
17	25, ..	116.9	121.1	108.7	95.4	112.8	98.4	96.8	115.7	
18 August	1, ..	116.9	121.7	110.2	94.6	113.4	97.5	95.8	115.6	
19	8, ..	117.2	122.4	110.6	93.2	114.8	97.5	95.8	115.5	
20	15, ..	118.0	123.2	109.6	92.8	120.0	98.6	97.0	115.3	
21	22, ..	117.0	121.2	108.4	92.0	111.2	98.6	97.0	115.4	
22	29, ..	116.6	120.2	107.6	90.5	110.2	99.2	97.6	116.0	
23 September	5, ..	116.0	118.7	106.2	87.2	108.2	99.4	97.9	116.0	
24	12, ..	116.9	120.3	107.6	88.9	113.0	99.3	97.7	116.0	
25	19, ..	117.4	121.0	108.0	90.2	115.2	99.7	98.2	116.1	
26	26, ..	118.0	121.9	108.4	93.2	117.9	100.2	98.7	116.2	
27 October	3, ..	118.7	122.8	108.5	93.9	117.8	100.2	98.7	116.4	
28	10, ..	120.0	125.1	110.2	93.8	122.3	100.2	98.7	116.4	
29	17, ..	119.9	125.0	110.3	94.4	122.1	100.2	98.7	116.4	
30	24, ..	119.3	124.0	109.8	94.3	122.1	102.5	101.1	116.4	
31	31, ..	118.8	123.3	108.9	95.1	119.5	103.7	102.4	116.4	
32 November	7, ..	118.5	122.1	108.7	94.8	111.0	105.4	104.2	116.3	
33	14, ..	118.8	122.5	106.6	95.0	115.9	105.4	104.2	116.3	
34	21, ..	118.0	121.0	105.6	93.8	109.2	104.1	102.9	116.4	
35	28, ..	117.6	120.1	103.7	93.2	110.8	103.5	102.2	116.6	
36 December	5, ..	118.1	119.8	102.9	92.3	110.5	105.9	104.7	116.7	
37	12, ..	118.0	119.0	100.9	91.1	110.4	103.1	101.7	116.7	
38	19, ..	117.5	117.3	100.2	92.1	104.1	103.1	101.7	116.6	
39	26, ..	117.6	116.7	99.2	91.8	105.4	102.5	101.1	117.0	
40 January	2, 1960	117.9	116.6	99.3	91.8	105.4	102.5	101.1	117.1	
41	9, ..	118.1	116.8	100.5	91.6	104.9	102.5	101.1	117.0	
42	16, ..	119.5	118.4	102.1	91.5	108.8	101.0	99.5	117.0	
43	23, ..	119.3	118.2	103.1	91.5	108.6	100.5	99.0	117.1	
44	30, ..	119.2	117.6	103.5	93.2	106.2	98.2	96.6	117.8	
45 February	6, ..	119.4	118.3	105.1	96.3	108.3	96.4	94.6	117.9	
46	13, ..	120.0	119.9	104.9	96.4	113.9	95.8	94.0	117.9	
47	20, ..	119.3	118.3	104.2	94.6	109.1	95.8	94.0	117.9	
48	27, ..	119.4	118.6	103.3	92.9	114.6	95.8	94.0	117.4	
49 March	5, ..	118.9	117.5	103.4	92.0	109.7	96.3	94.0	117.4	
50	12, ..	118.6	116.7	103.2	90.3	109.1	96.1	93.8	117.4	
51	19, ..	118.9	117.1	103.1	89.7	113.4	96.1	93.8	117.2	
52	26, ..	118.6	116.5	103.0	87.4	110.5	97.1	94.9	117.3	

*Note : Weights of sub-groups do not add up to the total as only selected sub-groups are shown.**(a) Comprising hides raw, skins raw, lac and rubber etc.*

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 18

(GROUPS AND SUB-GROUPS), 1959-60

= 100)

Industrial Raw Materials					Manufactures					
Total	Fibres	Oil seeds	Minerals	Others (a)	Total	Intermediate Products	FINISHED PRODUCTS			
155	61	60	2	32	290	41	249	147	20	31
9	10	11	12	13	14	15	16	17	18	19
114 9	106 7	125 6	103 6	111 1	108 7	108 5	108 8	103 5	110 9	106 1
115 7	108 3	126 0	101 4	111 3	108 5	108 5	108 4	102 9	110 6	106 1
116 6	108 1	128 3	101 4	111 7	108 4	108 6	108 4	103 1	108 2	106 1
117 7	108 7	129 8	101 4	112 8	108 2	107 9	108 3	103 1	107 7	106 1
118 1	109 0	130 8	100 6	112 8	108 3	108 4	108 2	103 1	107 1	106 1
118 7	108 9	132 6	100 6	112 6	108 1	107 3	108 2	103 1	107 3	106 1
120 1	109 2	135 7	103 6	112 7	108 5	108 0	108 6	103 8	106 0	106 1
120 1	109 7	135 4	103 6	112 3	108 5	108 0	108 6	103 8	105 4	106 1
120 3	109 4	135 8	103 6	112 6	108 8	108 6	108 8	104 0	106 1	106 1
120 4	109 8	135 7	103 6	112 7	108 9	108 2	109 0	104 2	106 0	106 0
120 0	109 7	135 0	98 3	112 7	109 0	108 1	109 2	104 4	106 7	106 0
120 6	110 2	135 7	98 3	113 3	109 3	108 2	109 5	104 7	106 2	106 0
120 2	110 2	135 2	98 3	112 8	109 3	108 3	109 4	104 6	107 5	105 9
120 0	108 3	136 3	98 3	113 1	109 3	108 3	109 4	104 6	107 1	105 9
120 1	109 7	135 1	97 8	113 5	109 3	108 3	109 5	104 8	106 6	105 9
120 2	110 3	134 3	98 3	113 6	109 1	108 4	109 2	104 3	106 4	105 9
120 5	109 9	135 4	98 3	114 3	109 1	108 8	109 2	104 2	106 5	105 8
119 0	109 3	131 6	98 3	114 9	109 0	108 8	109 0	103 9	106 5	105 8
118 9	108 7	131 6	98 2	115 8	109 0	108 5	109 1	104 2	107 0	105 8
119 1	109 2	131 4	98 2	115 9	109 9	109 2	110 0	105 8	107 0	105 8
119 8	110 5	131 7	98 2	116 8	109 8	109 6	109 8	105 6	107 3	105 8
120 3	110 3	132 3	98 2	118 1	109 7	109 8	109 7	105 2	107 8	105 8
121 1	110 6	133 7	98 2	118 9	109 9	110 4	109 8	105 4	107 4	105 8
121 6	110 2	135 4	98 3	118 6	109 9	111 1	109 7	105 1	108 9	105 8
121 9	109 6	137 0	98 3	118 7	110 1	111 7	109 8	105 2	108 4	105 9
122 8	109 8	138 4	98 3	120 1	110 1	111 9	109 8	105 1	108 3	105 9
123 8	109 2	138 6	98 3	125 3	110 4	112 4	110 1	105 5	108 1	105 9
123 7	108 9	138 8	98 3	125 1	111 0	114 5	110 5	105 5	107 5	105 9
122 6	109 3	135 8	98 3	124 8	111 4	115 2	110 8	106 6	106 8	105 9
121 6	109 0	133 5	97 7	124 6	111 3	114 9	110 7	106 2	106 9	105 9
121 2	109 4	130 4	97 7	128 2	111 2	115 1	110 6	106 1	106 6	105 9
121 8	109 8	131 5	95 2	128 3	111 5	115 8	110 8	106 4	106 8	105 9
122 8	111 4	131 4	95 2	130 2	111 6	115 6	110 9	106 8	106 5	106 0
122 5	111 8	130 6	95 2	129 9	111 6	116 3	110 9	106 9	106 3	106 0
122 7	113 6	129 2	95 2	129 9	111 8	116 4	111 1	107 3	106 5	106 0
125 4	118 6	130 4	96 8	130 6	112 2	117 2	111 3	107 7	106 4	105 9
126 8	122 0	131 0	95 2	130 3	112 6	118 3	111 7	108 3	106 5	105 9
127 3	124 2	130 5	95 2	129 5	113 6	117 8	112 9	110 3	106 8	105 9
129 2	128 0	131 8	95 2	128 6	114 2	118 6	113 5	111 4	107 0	105 9
130 1	129 2	132 5	95 2	129 9	115 0	119 5	114 3	113 1	106 7	106 0
129 9	127 2	132 8	95 2	131 9	115 4	121 3	114 5	113 2	107 0	106 0
131 0	126 9	135 6	95 2	132 4	116 8	122 6	115 8	115 3	106 9	106 1
131 6	125 4	138 4	95 2	133 4	116 3	121 9	115 3	114 6	107 0	106 1
132 6	125 4	140 9	95 2	133 4	116 4	121 5	115 5	114 9	106 5	106 1
132 2	123 4	141 8	95 2	133 3	116 2	120 6	115 5	114 8	106 5	106 0
131 3	121 5	141 4	95 2	133 5	116 1	120 3	115 5	114 9	105 7	106 1
131 7	123 3	140 9	95 2	132 8	116 3	120 5	115 6	115 3	105 6	106 1
131 1	123 6	139 0	95 2	133 2	116 3	120 7	115 6	115 5	105 5	106 1
131 2	123 4	140 2	95 2	131 8	116 6	121 7	115 7	115 0	105 2	108 6
131 8	124 6	140 4	95 2	131 6	116 6	121 2	115 9	115 1	105 2	108 7
132 7	126 5	140 9	97 5	131 6	116 6	121 1	115 8	115 0	105 0	108 6
132 0	125 2	140 4	98 2	131 7	116 7	121 3	116 0	115 2	104 7	108 6

STATEMENT 19

MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES (1932-33 = 100)

REPORT ON CURRENCY AND FINANCE, 1959-60

Group/Commodity	Weight	Monthly Averages					Percentage variation of (4) over (3) (5) over (4)		
		1956		1957		March 1958	1959	1960	
		1	2	3	4	5			
I. All Commodities	1,000	98.1	105.6	105.4	112.4	118.8	+ 6.6	+ 5.7	
II. Food Articles	50.4	92.8	102.3	102.3	113.8	117.0	+11.2	+ 2.8	
(i) Cereals	19.2	86	99	95	102	103	+ 7.4	+ 1.0	
1. Rice	11.3	86	97	100	92	106	- 8.0	+15.2	
2. Wheat	5.3	85	95	84	114	94	+35.7	-17.5	
3. Jowar	10	102.2	119	94	110	117	+17.0	+ 6.4	
(ii) Pulses	4.3	77	84	78	113	90	+44.9	-20.4	
1. Gram	1.5	66	80	63	119	74	+88.9	-37.8	
(iii) Fruits and Vegetables	2.3	94	111	98	113	126	+20.4	+ 6.8	
(iv) Milk and Ghee	8.4	93	98	103	107	111	+ 3.9	+ 3.7	
(v) Edible Oils	4.7	106	123	118	123	137	+ 4.2	+11.4	
(vi) Fish, Eggs and Meat	17	93	94	103	105	115	+ 1.9	+ 9.5	
(vn) Sugar	18	95	95	118	121	127	+ 2.5	+ 5.0	
(viii) Gari	30	89	93	108	132	149	+22.2	+12.9	
(ix) Tea	19	139	160	152	157	180	+ 3.3	+14.6	
(x) Coffee	2	80	83	84	86	89	+ 2.4	+ 3.5	
III. Liquor & Tobacco	21	78.7	87.2	94.9	100.3	96.4	+ 5.7	- 3.9	
(i) Tobacco	20	77	85	93	99	94	+ 6.5	- 5.1	
IV. Fuel, Power, Light and Lubricants	39	96.8	106.5	114.3	116.0	117.0	+ 1.5	+ 0.9	
(i) Coal (a)	9	101	121	130	133	135	+ 2.3	+ 1.5	
(ii) Mineral Oil	14	95	98	108	108	109	-	+ 0.9	
(iii) Castor Oil	..	..	2	105	99	93	102	+ 9.7	

REPORT ON CURRENCY AND FINANCE, 1959-60

V. Industrial Raw Materials	155	109.4	117.3	111.3	116.2	131.9	+ 4.4	+ 13.5
(i) Fibres	61	113	121	110	108	125	- 1.8	+15.7
1. Cotton Raw ..	32	107	113	103	102	113	- 1.0	+10.8
2. Jute Raw ..	23	122	133	120	114	141	- 5.0	+23.7
(ii) Oil seeds	60	106	119	113	123	141	+13.3	+10.2
1. Groundnuts ..	27	102	112	103	121	141	+17.5	+16.5
2. Linseed	5	123	109	107	124	119	+15.9	- 4.0
3. Castorseed ..	2	81	114	99	119	121	+20.2	+ 2.5
(iii) Manganese Ore	0.5	95	140	100	123	88	- 1.0	-28.5
(iv) Metal	1	93	94	99	99	101	+ 2.0	+ 2.0
VI. Manufactures	298	102.9	106.2	107.7	108.6	116.6	+ 0.8	+ 7.4
(A) Intermediate Products	41	110.5	108.9	106.8	109.4	111.3	+ 2.4	+10.9
(i) Cotton yarn	15	101	108	97	96	118	- 1.0	+22.9
(ii) Metals	3	124	120	118	135	141	+14.4	+ 4.4
1. Pig Iron	1	117	164	164	164	164	—	—
(iii) Lubricated Oil	6	136	105	110	113	111	+ 2.7	- 1.8
(B) Finished Products	249	101.6	105.7	107.7	108.5	115.9	+ 0.7	+ 6.8
(i) Cotton Manufactures	78	109	115	116	112	125	- 3.4	+11.6
(ii) Jute Manufactures	31	95	94	86	82	98	- 4.7	+19.5
(iii) Metal Products ..	12	125	131	143	143	148	—	+ 3.5
1. Iron and Steel Manufactures ..	9	126	132	145	145	148	—	+ 2.1
(iv) Chemicals	20	92	97	99	111	105	+12.1	- 5.4

Source: Office of the Economic Advisor to the Government of India.

(a) Statutory Price Control

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

MONEY SUPPLY WITH

CURRENCY WITH THE PUBLIC

Last Friday	India and <i>Halsiaca</i> notes in circulation (b)	Circulation of India and <i>Halsiaca</i> rupee coin (c)	Balances of Central and State Govern- ments held at Treasuries (d)	Cash on hand of scheduled and reporting non-scheduled and State co-operative banks	Currency with the public (including <i>Halsiaca</i> Currency)	Variations in currency with the public
	1	2	3	4	5	6
1	1950-51	1,238 60	144 11	4 42	39 10	1,339 19
2	1955-56	1,424 23	123 45	1 14	41 45	1,505 09
3	1956-57	1,483 20	118 30	5 31	39 70	1,556 50
4	1957-58	1,535 96	116 46	4 23	41 59	1,606 60
5	1958-59	1,658 36	120 59	6 64	47 78	1,724 53
6	1959-60	1,801 73	130 28	2 95	67 04	1,862 03
7	April 1958	1,575 96	118 00	7 64	46 50	1,639 80
8	May	1,544 61	118 86	6 47	43 34	1,613 66
9	June	1,533 93	119 97	6 54	48 12	1,599 24
10	July	1,498 66	114 70	6 17	42 40	1,564 79
11	August	1,478 63	112 68	5 47	43 13	1,542 72
12	September	1,472 81	110 35	5 74	42 40	1,535 02
13	October	1,491 27	111 46	5 82	44 22	1,552 70
14	November	1,512 01	112 82	6 06	44 63	1,574 14
15	December	1,546 25	113 89	6 04	47 65	1,606 45
16	January 1959	1,581 26	116 32	8 69	44 49	1,644 40
17	February	1,611 47	118 61	7 16	44 98	1,677 94
18	March	1,658 36	120 59	6 64	47 78	1,724 53
19	April	1,708 29	121 52	8 37	48 45	1,772 97
20	May	1,695 48	125 87	7 37	48 51	1,765 48
21	June	1,670 39	124 38	7 11	52 59	1,735 07
22	July	1,622 87	121 17	7 20	44 76	1,692 07
23	August	1,607 04	118 79	6 57	47 77	1,671 49
24	September	1,598 83	116 48	5 77	46 04	1,663 50
25	October	1,643 03	120 86	5 45	42 60	1,715 83
26	November	1,636 04	119 39	6 14	47 07	1,702 23
27	December	1,686 94	120 77	6 22	48 78	1,752 73
28	January 1960	1,724 27	125 19	7 32	48 37	1,793 78
29	February	1,755 81	127 85	6 92	51 19	1,825 55
30	March	1,801 73	130 28	2 95	67 04	1,862 03

Note—No adjustments have been made for the net inward or outward movements of currency.

(a) Excluding small coin, *Halsiaca* currency is included only upto December 1957 (b) Figures are net of the return of about Rs 43 crores of India notes from Pakistan awaiting adjustment (c) Estimated (d) Figures are as on last day of the month year (e) Excluding balances held on I M F Account No 1 and some extraordinary items

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 20

THE PUBLIC (a)

(Crores of Rupees)

DEPOSIT MONEY

Demand liabilities (excluding inter-bank demand deposits) of scheduled and reporting non- scheduled and State co-operative banks	'Other deposits' with the Reserve Bank (e)	Deposit money with the public (7 - 8)	Variations in deposit money	Money supply with the public (including <i>Hals Siccā</i> Currency) (5 - 9)	Variations in money supply with the public (6 - 10)
7	8	9	10	11	12
614 29	26 01	640 30	-30 93	1,979 45	-118 84
667 22	12 01	679 23	-70 37	2,184 32	-263 69
744 74	11 65	756 39	-77 16	2,312 89	-128 57
762 36	19 87	782 22	-25 83	2,388 83	-75 94
754 98	19 25	774 23	-7 99	2,498 75	-109 92
817 19	21 79	838 98	+64 75	2,701 01	-202 26
792 47	14 67	807 14	+24 92	2,446 94	+ 58 11
763 64	15 20	778 84	-23 30	2,392 50	- 54 44
765 87	14 44	780 31	+ 1 47	2,379 55	- 12 95
770 65	14 85	785 50	- 5 19	2,350 29	- 29 26
751 61	14 70	766 31	-19 19	2,309 03	- 41 26
765 10	14 40	779 50	-13 19	2,314 52	+ 5 49
721 23	16 14	737 37	-42 13	2,290 08	- 24 44
727 68	17 57	745 25	- 7 88	2,319 38	+ 29 30
726 03	17 38	743 40	- 1 85	2,349 85	- 30 47
730 69	15 92	746 62	- 3 22	2,391 02	- 41 17
743 59	15 84	759 43	-12 81	2,437 36	- 46 34
754 98	19 25	774 23	+14 80	2,498 75	- 61 39
789 97	18 16	808 13	+33 90	2,581 10	- 82 35
754 08	18 92	773 00	-35 13	2,538 48	- 43 62
775 60	20 14	795 74	+22 74	2,530 81	- 7 67
747 83	20 97	768 81	-26 93	2,460 88	- 69 93
738 35	21 54	779 59	-11 03	2,451 38	- 9 50
748 10	19 52	767 62	-12 27	2,431 12	- 20 26
736 94	17 68	754 62	-13 00	2,470 46	- 39 24
732 63	17 44	770 07	+15 45	2,472 29	- 1 83
752 06	14 77	766 84	- 3 23	2,519 56	- 47 27
778 08	18 08	796 16	-29 32	2,589 94	- 70 38
778 57	15 99	794 16	- 2 00	2,619 71	- 29 77
817 19	21 79	838 98	-44 82	2,701 01	- 81 30

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

SEASONAL VARIATIONS IN MONEY

	1954-55		1955-56	
	Slack Season	Busy Season	Slack Season	Busy Season
	1	2	3	4
A. Money Supply with the public				
1. Currency with the public (b)	-66 6	+157 4	-11 5	+206 8
2 Demand liabilities of banks (c)	+21 0	+ 35 2	+21 5	+ 41 7
3. Other Deposits with the Reserve Bank of India (d)	- 5 8	+ 0 7	+ 0 1	+ 1 4
4 Total Money Supply with the public (1+2+3)	-51 4	+193 4	+10 1	+249 9
B. Factors Affecting Money Supply (e)				
1 Bank Credit to Government (i+u+m+iv) - (v+vi)	+34 3	+106 2	+72 9	+112 3
(i) Rupee securities held by the Reserve Bank of India	+24 8	+ 62 5	+18 6	+148 9
(ii) Loans and advances to Governments by the Reserve Bank of India ..	- 0 1	+ 0 2	- 0 9	+ 1 8
(iii) Rediscounts of Treasury Bills ..	- 7 7	+ 8 5	- 4 9	+ 5 3
(iv) Investments of banks in Government Securities (c) (d)(f)	+28 2	- 4 9	+53 6	- 37 6
(v) Central Government's Deposits with the Reserve Bank of India	+16 7	- 52 4	- 1 7	+ 9 3
(vi) State Governments' Deposits with the Reserve Bank of India	- 5 8	+ 12 5	- 4 8	- 3 2
2 Foreign assets held by the Reserve Bank of India (g) ..	-26 8 (-21 8)	- 10 2 (+ 7 0)	- 2 8 (+ 4 3)	+ 13 3 (+ 19 3)
3. Public's net indebtedness to the banking system (i-u)	-74 2	+ 66 9	-67 3	+161 8
(i) Bank Credit (c) (h) ..	-50 2	+ 98 4	-26 5	+169 4
(ii) Time liabilities of banks (c)	+24 0	+ 31 5	+40 8	+ 7 6

Note (1) Slack season is from May to October and the busy season is from November to April. No adjustments have been made for the net inward or outward movements of currency (2) Figures in item B(3)(ii) include P.L. 480 deposits with the State Bank of India and those in item B(1)(iv) include the investments of these funds by the Bank in Government Securities. For this reason, the figures overstate the expansionist effect of the extension of bank credit to Government and the contractionist effect of the rise in banks' time liabilities.

(a) Figures are provisional (b) Including *Hals Siaca* currency upto December 1957 (c) Scheduled banks and reporting non-scheduled and State co-operative banks (d) Excluding balance held on I.M.F. Account No. 1.

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 21

SUPPLY WITH THE PUBLIC

(Crores of Rupees)

1956-57		1957-58		1958-59		1959-60		Outstanding as on April 29, 1960
Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	Slack Season	Busy Season	
5	6	7	8	9	10	11	12	
- 95.7	+ 143.9	- 89.5	+ 142.9	- 87.1	+ 220.3	- 57.1	+ 201.0	1,916.8
- 7.8	+ 93.8	+ 4.8	+ 24.2	- 71.2	+ 68.7	- 53.0	+ 73.3(a)	810.2(a)
- 1.7	+ 1.7	+ 2.1	+ 0.1	+ 1.5	+ 2.0	- 0.5	+ 2.9	20.6
-105.1	+239.4	- 82.7	+167.3	-156.9	+291.0	-110.6	+277.2(a)	2,747.6(a)
+ 48.3	+ 276.4	+ 214.7	+ 271.9	+ 180.7	+ 177.9	+ 70.7	+ 204.7(a)	2,681.6(a)
+ 33.0	+ 261.8	+ 155.3	+ 208.2	+ 95.7	+ 130.1	- 104.3	+ 216.6	1,738.9
+ 1.6	+ 12.4	+ 33.7	+ 4.8	- 37.9	+ 27.1	- 23.7	+ 28.0	48.2
- 7.7	+ 7.7	- 8.7	- 13.6	- 17.3	+ 6.9	+ 16.5	+ 3.7	27.2
+ 17.8	- 27.9	+ 38.7	+ 50.4	+ 175.4	- 3.4	+ 180.9	- 54.1(a)	771.4(a)
- 4.4	- 1.3	- 0.3	+ 0.8	+ 18.7	- 18.1	+ 1.4	- 4.4	50.6
+ 0.8	- 21.4	+ 4.6	+ 4.6	+ 16.5	+ 0.9	- 2.7	+ 15.0	45.3
-143.4 (-143.4)	- 77.3 (-138.0)	-177.8 (-212.3)	- 59.3 (- 59.3)	- 89.4 (- 89.4)	+ 30.3 (+ 30.3)	- 10.5 (- 10.5)	- 17.6 (- 6.9)	180.6
- 21.0	+ 108.0	- 150.1	- 44.1	- 238.3	+ 128.4	- 210.3	+ 123.7(a)	36.0(a)
+ 11.6	+ 155.0	- 37.1	+ 85.4	- 101.5	+ 181.4	- 48.6	+ 186.7(a)	1,256.6(a)
+ 32.6	+ 47.0	+ 113.0	+ 129.8	+ 136.7	+ 53.0	+ 161.7	+ 62.9(a)	1,220.7(a)

(e) Figures are gross variations, no adjustments have been made in respect of extra-ordinary transactions except in figures given in brackets under item B2. (f) At book value, include Treasury Bills and Treasury Deposit Receipts. (g) Figures in brackets are net of borrowings from and repayments to the I.M.F. (h) Comprising (1) advances and (2) inland and foreign bills purchased and discounted in India, figures relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 22

VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC DURING 1956-57 TO 1959-60

(Crores of Rupees)

	Out-standing as on March 30, 1951	1956-57	1957-58	1958-59	1959-60	Out-standing as on March 25, 1960
A. Money Supply with the Public						
1 Currency with the Public (a)	1,339.2	+ 51.4	- 50.1	+117.9	+137.5	1,862.0
2 Demand liabilities of banks (b)	614.3	+ 77.5	+ 17.6	- 7.4	+ 62.2	817.2
3 Other deposits with the Reserve Bank of India (c)	26.0	- 0.4	+ 8.2	- 0.6	+ 2.5	21.8
4 Total Money Supply with the Public (1 + 2 + 3)	1,979.5	+128.6	+ 75.9	+109.9	+202.3	2,701.0
B. Factors Affecting Money Supply (d)						
1. Bank Credit to Government (i + ii + iii + iv) - (v + vi)	753.6	+299.7	+495.6	+331.4	+254.9	2,388.8
(i) Rupee Securities held by the Reserve Bank of India	585.8	+280.2	+403.4	+133.4	+151.6	1,694.5
(ii) Loans and advances to Governments by the Reserve Bank of India	1.6	+ 7.7	+ 13.6	+ 3.5	- 2.4	22.3
(iii) Rediscount of Treasury Bills	7.7	- 9.3	+ 4.7	- 2.5	+ 28.4	33.6
(iv) Investments of banks in Government securities (b)(e)	346.9	- 11.8	+ 80.6	+174.4	+102.9	744.4
(v) Central Government's deposits with the Reserve Bank of India	162.0	- 2.8	- 16.2	+ 5.5	+ 9.3	63.1
(vi) State Governments' deposits with the Reserve Bank of India	26.4	- 30.1	+ 22.9	- 28.1	+ 16.2	43.0
2 Foreign Assets held by the Reserve Bank of India (f)	884.2	-219.3 (-274.1)	-259.8 (-294.3)	- 53.9 (- 53.9)	- 15.9 (- 5.2)	197.1
3 Public's net indebtedness to the banking system (i - ii)	275.2	+ 89.4	-171.2	-131.5	- 67.1	77.0
(i) Bank Credit (b)(g)	609.1	+152.0	+ 66.3	+ 64.4	+146.2	1,257.6
(ii) Time liabilities of banks (b)	333.9	+ 62.6	+237.5	+195.9	+213.4	1,180.6

Note No adjustments have been made for the net inward or outward movements of currency. Figures in item B(3)(ii) include P.L. 480 deposits with the State Bank of India and those in item B(1)(iv) include the investments of these funds by the Bank in Government Securities. For this reason, the figures overstate the expansionist effect of the extension of bank credit to Government and the contractionist effect of the rise in banks' time liabilities. (a) Including Hali Sicca currency upto December 1957. (b) Scheduled banks and reporting non-scheduled and State co-operative banks. (c) Excluding balance held on I.M.F. Account No. 1. (d) Figures are gross variations, no adjustments have been made in respect of extra-ordinary transactions. (e) At book value, include Treasury bills and Treasury Deposit Receipts. (f) Figures in brackets are net of borrowings from and repayments to the I.M.F. (g) Comprising (i) Advances and (ii) Inland and foreign bills purchased and discounted in India, figures relate to inland bills only upto May 7, 1954 and both inland and foreign bills thereafter.

STATEMENT 23^{*}ADVANCES OF THE RESERVE BANK OF INDIA TO SCHEDULED BANKS
AND STATE CO-OPERATIVE BANKS

(Lakhs of Rupees)

	Scheduled Banks			State Co-operative Banks	
	Against usage bills and or pro- missory notes	Other advances	Total	4	
			1	2	3	4
Outstanding as on last Friday of					
1950-51	—	12,41	12,41	3,42(a)	
1955-56	27,43	37,65	65,08	13,20	
1956-57	71,54	31,62	103,16	22,28	
1957-58	26,58	15,42	42,00	35,01	
1958-59	13,48	48,38	61,86	49,72	
1959-60	14,03	65,41	79,44	75,17	
Outstanding as at the close of					
April 3, 1959	11,32	37,37	48,69	48,24	
" 10, "	11,32	29,01	40,33	47,80	
" 17, "	9,64	23,45	33,10	45,43	
" 24, "	9,57	17,63	27,20	44,97	
May 1, "	10,47	18,64	29,11	45,92	
" 8, "	12,25	28,29	40,54	46,17	
" 15, "	8,19	18,18	26,37	46,87	
" 22, "	6,52	11,46	17,98	47,71	
" 29, "	3,33	7,19	10,52	48,88	
June 5, "	3,81	5,71	9,52	52,02	
" 12, "	3,50	1,45	4,95	53,18	
" 19, "	3,46	1,46	4,92	55,14	
" 26, "	1,45	1,22	2,67	61,14	
July 3, "	3,26	6,84	10,10	63,76	
" 10, "	2,86	3,80	6,65	63,28	
" 17, "	2,76	85	3,61	63,16	
" 24, "	8	92	1,00	63,63	
" 31, "	—	1,07	1,07	64,13	
August 7, "	50	2,95	3,45	65,56	
" 14, "	40	1,14	1,54	66,59	
" 21, "	2,85	11,25	14,10	68,34	
" 28, "	15	2,82	2,96	69,44	
September 4, "	10	2,01	2,11	69,21	
" 11, "	10	1,69	1,79	70,13	
" 18, "	1,90	5,59	7,49	71,98	
" 25, "	1	3,13	3,14	71,84	
October 2, "	76	7,12	7,88	73,96	
" 9, "	2,08	8,12	10,20	74,29	
" 16, "	1	3,58	3,59	75,34	
" 23, "	—	3,03	3,03	76,37	
" 30, "	1,70	12,15	13,85	77,27	
November 6, "	—	10,83	10,83	77,65	
" 13, "	16	1,49	1,65	77,92	
" 20, "	—	1,37	1,37	77,76	
" 27, "	—	1,56	1,56	77,52	
December 4, "	12	6,62	6,74	77,76	
" 11, "	5	9,78	9,83	76,39	
" 18, "	1,45	10,59	12,04	77,77	
" 25, "	12	11,71	11,83	77,81	
January 1, 1960	1,42	30,80	32,22	77,77	
" 8, "	3,45	18,76	22,21	78,19	
" 15, "	3,02	22,23	25,25	77,59	
" 22, "	3,45	20,69	24,14	77,89	
" 29, "	4,31	22,71	27,02	75,68	
February 5, "	4,44	35,00	39,44	76,86	
" 12, "	4,84	44,49	49,33	77,42	
" 19, "	5,36	34,64	40,00	77,68	
" 26, "	5,68	35,80	41,49	77,27	
March 4, "	6,70	39,99	46,69	77,83	
" 11, "	7,49	48,84	56,33	77,16	
" 18, "	12,58	64,30	76,88	76,22	
" 25, "	14,03	65,41	79,44	75,17	

(a) As on March 31, 1951.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

RESERVE BANK OF INDIA AND

Short-term loans to State Co-operative Banks

	For seasonal agricultural operations and marketing of crops [17(4) (a), (2) (b) or (4) (c)] at 2 per cent below Bank rate(b)		For non-agricultural purposes							
			For financing handloom weavers' societies [17(2) (a) or (4) (c)] at Bank rate		For production and marketing activities [17(2) (bb) or (4) (c)] at 1½ per cent below Bank rate		For general banking purposes [17(4) (a)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17(2) (b) or (4) (c)] at Bank rate	
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings
	1	2	3	4	5	6	7	8	9	10
1950-51	537.30	339.20	—	—	—	—	42.30	2.30	—	—
1951-52	1128.68	781.38	—	—	—	—	—	—	—	—
1952-53	976.05	637.20	31.90	6.10	—	—	40.00	40.00	—	—
1953-54	1384.45	801.43	37.70	15.80	—	—	10.00	35.00	—	—
1954-55	1729.34	913.95	18.40	6.40	—	—	1.00	—	—	—
1955-56	2299.78	1233.48	—	—	—	—	38.60	13.00	—	—
1956-57	3190.61	2058.47	43.00	19.80	—	—	39.25	12.00	—	—
1957-58	.. 5022.51	3092.59	29.20	8.00	49.28	49.28	213.20	—	99.00	—
1958-59	.. 6755.55	4256.32	48.00	24.00	173.99	168.63	182.30	—	100.00	—
1959-60	.. 8897.21	6644.52	78.50	11.50	173.48	176.30	534.45	—	—	—

(a) Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 24

CO-OPERATIVE CREDIT (a)

(Lakhs of rupees)

Medium-term loans to State Co-operative Banks for agricultural purposes [17(4A)] at 2 per cent below Bank rate before National Agricultural Credit (Long-term Operations) Fund was constituted	National Agricultural Credit (Long-term Operations) Fund											
	Medium-term loans to State Co-operative Banks for agricultural purposes [17(4A)] at 2 per cent below Bank rate		Long-term loans to State Governments for contribution to the share capital of Co- operative Credit Societies [17(4A)] read with 46A (2) (a)		Long-term loans to Central Land Mort- gage Banks [17(4A)] read with 46A (2) (c)		Rural debentures [17(4A) read with 46 A(2)(d)]		Ordinary debentures			
Amount drawn	Out- standings	Amount drawn	Out- standings	Amount drawn	Out- standings	Amount drawn	Out- standings	Pur- chases	Out- standings	Pur- chases	Out- standings	
11	12	13	14	15	16	17	18	19	20	21	22	
—	—	—	—	—	—	—	—	—	—	12.00	18.13	
—	—	—	—	—	—	—	—	—	—	13.00	31.13	
—	—	—	—	—	—	—	—	—	—	22.89	55.13	
—	—	—	—	—	—	—	—	—	—	14.50	68.52	
19.89	19.89	—	—	—	—	—	—	—	—	7.06	59.69	
30.75	40.52	10.59	10.59	—	—	—	—	—	—	9.50	73.38	
3.44	24.62	118.77	113.31	160.45	160.45	—	—	—	—	1.50	62.13	
—	9.21	298.68	352.22	583.40	743.85	—	—	—	—	12.94	75.07	
—	—	268.44	494.84	574.48	1318.33	—	—	26.88	26.88	3.59	85.46	
—	—	386.43	621.98	493.34	1795.33	—	—	47.10	73.98	—	67.61	

(b) With effect from November 15, 1951. Prior to this date the rate of interest was 1½ per cent below the Bank rate.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 25

RESERVE BANK OF INDIA AND INDUSTRIAL FINANCE

(Thousands of Rupees)

As at the end of	A Long-term Finance to			
	Industrial Finance Corporation		State Financial Corporations	
	Shares	Bonds	Shares	Bonds
1948-49	100.00	—	—	—
1949-50	102.70	—	—	—
1950-51	102.70	—	—	—
1951-52	102.70	—	—	—
1952-53	102.70	—	—	—
1953-54	102.70	200.00	87.50	—
1954-55	102.70	200.00	125.00	—
1955-56	102.70	200.00	170.00	—
1956-57	102.70	200.00	182.50	—
1957-58	102.70	200.00	200.00	3,24
1958-59	102.70	200.00	200.00	(a)
1959-60	102.70	200.00	225.00	—

Note.—From 1948-59 onwards long term finance to Refinance Corporation is Rs 100 lakhs in shares.

(a) During the year 1958-59 further bonds to the extent of Rs 6,74,100 were purchased by the Bank. These bonds together with the bonds of the face value of Rs 3,24 lakhs purchased during the preceding year were sold during the year 1948-59.

Outstanding as on last Friday	B Medium-term Finance to	
	Industrial Finance Corporation [under section 17(4B)(b) of the Reserve Bank of India Act]	
	(Thousands of Rupees)	
1956-57		106.50
1957-58		—
1958-59		93.75
1959-60		88.00
April 1958		12.75
May "		48.75
June "		—
July "		—
August "		3.50
September "		34.00
October "		—
November "		—
December "		—
January 1959		4.75
February "		40.25
March "		93.75
April "		34.75
May "		82.75
June "		6.75
July "		—
August "		2.75
September "		23.25
October "		26.50
November "		115.00
December "		162.25
January 1960		180.25
February "		137.25
March "		88.00

Note.—Since 1956-57 outstandings in respect of short-term finance to Industrial Finance Corporation [Under section 17(4B)(a) of the Reserve Bank of India Act] are nil and outstandings in respect of short-term finance to State Financial Corporations [Under Section 17(4)(a) of the Reserve Bank of India Act] were Rs 2,50,000 (as on 28-3-1958), Rs 5,00,000 (as on 25-4-1958) and nil thereafter.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 26

SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED BANKS' LIABILITIES AND ASSETS

(Lakhs of Rupees)

Season	Demand liabili- ties	Time liabili- ties	Aggregate deposit liabi- lities (a) (1 + 2)	Borrowings from Reserve Bank	Cash and balances with Reserve Bank	Cash ratio (b) at the end of the period	Investments in Govern- ment securities (c)	Bank credit (e)	Credit- deposit ratio (f) at the end of the period
	1	2	3	4	5	6	7	8	9
Slack 1955	+11,63	+ 4	+ 11,72	- 8,22	+ 26,99	13.0	+ 77,86	43,13	97.7(h)
Busy 1955-51	- 4,74	+ 22,30	+ 17,56	- 9,24	- 25,21	9.9	- 65,91	34,86	163,43(i)
Slack 1955-57	+26,37	+ 37,84	1 58,52	- 21,37	+ 12,44	9.1	+ 47,71	35.4	- 31,55
Busy 1955-56	+36,95	+ 5,00	+ 41,95	+ 50,35	- 6,74	8.1	- 36,93	33.4	+ 164,49
Slack 1956	- 5,17	+ 29,66	1 24,19	+ 1,91	+ 1,92	8.0	+ 16,99	34.2	- 3,07
Busy 1956-57	+86,66	+ 46,44	+133,11	+ 14,90	+ 16,00	8.5	- 26,96	28.2	+ 148,42
Slack 1957	+17,97	+ 121,66	+113,03	- 62,34	+ 40,22	10.5	+ 49,67	28.9	- 41,89
Busy 1957-58	+19,75	+ 125,81	+148,56	- 9,92	- 10,74	8.8	+ 50,41	27.4	+ 89,42
Slack 1958	-62,20	+ 137,82	+ 64,33	- 17,59	+ 13,66	9.3	+ 174,75	39.3	- 117,91
Busy 1958-59	+66,22	+ 49,68	+115,90	+ 24,94	- 14,61	7.8	- 3,18	36.4	+ 181,70
Slack 1959	-52,16	+ 159,62	1 166,37	- 13,17	- 27,11	6.2	+ 173,00	44.1	- 78,95
Busy 1959-60	+69.78	+ 61,10	+130,89	+ 29,80	+ 29,66	7.4	- 52,49	38.4	+ 188,85
Outstanding as on April 29, 1960		771,06	1,158,63	1,929,69	43,65	140,38	741,63	1,130,30	

Note.—The slack season is from May to October and the busy season is from November to April.

(a) Although the totals include certain non-deposit items, the term 'deposit liabilities' is used here since the predominant portion of banks' liabilities consists of deposits. (b) Percentage of Cash and Balances with the Reserve Bank of India to aggregate Deposit Liabilities. (c) At book value, include Treasury bills and Treasury Deposit Receipts. (d) Percentage of Investments in Government Securities to aggregate Deposit Liabilities. (e) Includes foreign bills purchased and discounted in India from May 14, 1954. (f) Percentage of Bank Credit to aggregate Deposit Liabilities. (g) Based on Form XIII figures submitted by scheduled banks. (h) Excluding foreign bills purchased and discounted in India and including money at call and short-notice.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

CONSOLIDATED POSITION OF SCHEDULED

No of Reporting banks at the end of period	Demand Liabilities		Time Liabilities		Total Gross Liabilities (2+3+4 +5)	Aggregate Deposit Liabilities (3+5)	Borrowings from Reserve Bank		Cash Balances in hand with Reserve Bank	
	Borrowings from banks(a)	Others	Borrowings from banks(a)	Others			Reserve Bank	State Bank		
1	2	3	4	5	6	7	8	9	10	11
Average of Friday Figures										
1 1950-51	93	20,75	578,38	1,01	277,44	877,59	855,83	4,46	34,68	60,76
2 1955-56	89	9,20	599,44	3,86	404,10	1,016,59	1,003,54	24,51	7,67	34,64
3 1956-57	89	9,66	643,69	2,70	451,22	1,107,27	1,094,91	63,45	10,13	36,94
4 1957-58	92	15,31	707,86	10,33	608,83	1,342,33	1,316,68	44,58	7,02	39,38
5 1958-59	93	22,37	715,73	29,66	833,14	1,600,90	1,548,87	17,81	6,68	40,27
6 1959-60	94	21,25	725,51	26,33	1,061,26	1,834,36	1,786,78	19,42	8,27	44,75
As at the close of last Friday										
7 1950-51	93	23,62	592,55	8	288,06	904,31	880,61	12,41	34,95	58,36
8 1955-56	89	4,87	630,80	3,01	412,35	1,051,02	1,043,15	65,08	19,71	35,84
9 1956-57	89	8,27	703,61	1,97	471,69	1,185,54	1,175,30	103,16	11,60	33,98
10 1957-58	92	15,29	730,65	14,86	720,59	1,481,39	1,451,24	42,00	11,68	37,19
11 1958-59	93	11,24	722,38	21,81	912,63	1,668,06	1,635,01	61,86	14,79	43,36
12 1959-60	94	12,62	781,33	20,50	1,120,69	1,935,14	1,902,02	79,44	16,82	62,12
1959-60 (Weekly) Friday Figures										
13 April 3	93	15,88	751,21	22,54	918,29	1,707,92	1,669,50	48,69	14,46	45,07
14 " 10	93	19,89	742,80	22,83	925,15	1,710,67	1,667,95	40,33	13,52	41,59
15 " 17	93	19,34	753,56	23,92	930,00	1,726,82	1,683,57	33,10	12,80	44,58
16 " 24	93	22,08	754,44	24,60	937,90	1,739,02	1,692,34	27,20	9,17	43,84
17 May 1	94	20,91	719,38	24,89	969,70	1,734,88	1,689,09	29,11	8,98	42,99
18 " 8	94	21,27	708,88	24,62	972,13	1,726,91	1,681,01	40,54	10,61	41,86
19 " 15	94	24,89	713,39	25,97	975,27	1,739,52	1,688,67	26,37	9,45	44,06
20 " 22	94	24,44	721,93	26,53	980,02	1,752,92	1,701,96	17,98	8,41	43,63
21 " 29	94	27,89	719,49	26,53	986,91	1,760,32	1,706,40	10,52	8,71	44,22
22 June 5	94	25,87	712,37	27,74	986,99	1,752,97	1,699,36	9,52	7,47	43,11
23 " 12	94	27,79	722,58	27,63	990,32	1,768,31	1,712,90	4,95	6,86	44,77
24 " 19	94	28,74	729,39	28,62	992,55	1,779,29	1,721,94	4,92	6,57	48,98
25 " 26	94	23,77	738,23	29,61	998,73	1,790,34	1,736,97	2,67	4,99	48,08
26 July 3	94	23,39	738,51	27,74	993,46	1,783,10	1,731,98	10,10	6,16	44,69
27 " 10	94	26,15	712,91	27,73	1,029,04	1,795,62	1,741,94	6,65	4,31	43,67
28 " 17	94	24,77	705,78	30,08	1,039,40	1,800,03	1,745,18	3,61	4,69	42,99
29 " 24	94	25,89	716,00	31,18	1,041,34	1,814,41	1,757,34	1,00	4,23	42,82
30 " 31	94	25,13	711,94	28,77	1,052,40	1,818,24	1,764,34	1,07	3,81	40,60
31 Aug. 7	94	23,29	706,01	27,23	1,053,52	1,810,05	1,759,53	3,45	3,45	40,95
32 " 14	94	23,47	716,55	27,13	1,056,63	1,823,78	1,773,18	1,54	3,93	41,07
33 " 21	94	19,23	720,34	26,33	1,058,25	1,824,15	1,778,58	14,10	9,14	42,96
34 " 28	94	23,14	723,70	26,48	1,063,90	1,837,23	1,787,61	2,96	4,01	43,44

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 27

BANKS (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

Excess of (1) over the Balances Statutory Minimum Reserve Bank (10+11)	Total Cash and Balances with the (13) to in Current Account	Total Percent- age (7)	Balances with other Banks	Money at Call and Short Notice	Invest- ments in Govern- ment Securi- ties(c)	Bills Purchased and Discounted	Advances	Total Bank Credit (19+20 +21)	Percentage of (22) to (7)			
12	13	14	15	16	17	18	19	20	21	22	23	
25.25	95.46	11.2				11.87(d)		447.03(e)	458.90	53.6	1	
13.93	87.16	8.7	10.75	15.62	370.71	36.9	74.70	43.38	514.37	632.46	63.0	
8.48	87.17	8.0	10.51	13.11	359.35	32.8	105.44	50.12	626.09	781.64	71.4	
29.08	117.00	8.9	11.03	34.91	384.65	29.2	116.05	51.78	722.97	890.80	67.7	
29.87	124.30	8.0	12.90	48.14	564.90	36.5	93.77	39.81	765.59	899.17	58.1	
16.58	120.62	6.8	14.71	32.14	724.64	40.6	103.61	40.98	842.90	987.49	55.3	
21.78	93.30	10.6				13.26(d)		533.66(e)	546.93	62.1	7	
8.81	84.73	8.1	10.81	6.31	359.90	34.5	102.02	46.77	612.45	761.25	73.0	
9.21	88.26	7.5	11.31	11.62	347.18	29.5	117.52	58.92	723.60	900.04	76.6	
15.85	105.04	7.2	11.30	41.60	440.45	30.4	116.90	39.62	806.21	962.73	66.3	
9.02	107.76	6.6	13.59	24.38	613.37	37.5	109.78	38.82	865.07	1,013.67	62.0	
21.21	152.91	8.0	18.56	18.20	714.73	37.6	130.00	46.59	951.29	1,127.88	59.3	
14.12	116.37	7.0	14.84	25.99	611.58	36.6	112.31	39.11	868.39	1,019.80	61.1	13
33.93	132.61	8.0	14.50	29.32	607.55	36.4	112.19	38.24	870.84	1,021.27	61.2	14
15.51	117.81	7.0	15.00	30.15	614.36	36.5	114.24	37.13	872.90	1,024.27	60.8	15
29.91	131.83	7.8	14.46	31.63	616.12	36.4	113.51	38.09	868.80	1,020.40	60.3	16
24.19	124.08	7.4	14.00	31.25	623.73	36.9	112.25	37.36	872.06	1,021.67	60.5	17
10.88	109.19	6.5	14.01	31.52	633.70	37.7	113.21	35.06	879.64	1,027.92	61.2	18
11.29	112.28	6.7	13.95	35.06	625.31	37.0	110.96	35.29	875.09	1,021.35	60.5	19
17.91	118.99	7.0	13.66	35.38	624.97	36.7	111.84	37.00	869.70	1,018.54	59.9	20
11.62	113.48	6.7	13.62	39.15	635.02	37.2	109.96	36.53	865.37	1,011.86	59.3	21
14.29	114.61	6.7	13.47	37.19	634.75	37.4	108.88	35.00	862.00	1,005.88	59.2	22
9.99	112.63	6.6	13.56	39.05	634.81	37.1	105.78	33.98	861.63	1,001.40	58.5	23
14.87	122.18	7.1	14.08	42.35	634.96	36.9	102.18	36.01	861.39	999.58	58.1	24
31.85	138.60	8.0	15.56	38.80	636.20	36.6	92.22	35.13	857.87	985.23	56.7	25
4.28	107.49	6.2	14.55	33.39	639.61	36.9	92.28	34.66	866.35	993.29	57.4	26
12.77	114.52	6.6	14.41	36.77	668.32	38.4	90.55	37.31	859.18	987.04	56.7	27
27.89	128.79	7.4	14.66	38.79	670.17	38.4	89.32	38.30	851.74	979.35	56.0	28
26.41	127.78	7.2	13.61	41.01	688.45	39.2	88.41	39.31	837.77	965.49	54.9	29
17.45	116.53	6.6	14.03	41.69	714.72	40.5	86.65	37.98	832.13	956.76	54.2	30
15.09	114.12	6.5	13.56	37.89	714.82	40.6	86.27	37.21	830.36	953.84	54.2	31
31.07	130.82	7.4	15.56	38.31	712.32	40.2	86.03	38.05	821.65	945.73	53.3	32
16.70	118.33	6.7	13.99	31.75	724.18	40.7	87.47	39.04	822.77	949.27	53.4	33
22.34	124.93	7.0	14.44	34.74	735.90	41.2	87.51	38.22	811.38	937.11	52.4	34

[For footnotes please see next page]

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

CONSOLIDATED POSITION OF SCHEDULED

No. of Report-ing banks at the end of period	Demand Liabilities		Time Liabilities		Total Gross Liabilities (2+3+4 +5)	Aggregate Deposit Liabilities(b) (3+5)	Borrowings from Reserve Bank			Cash in hand	Balances with Reserve Bank
	Borrowings from banks(a)	Others	Borrowings from banks(a)	Others			Reserve Bank	State Bank			
	1	2	3	4	5	6	7	8	9	10	11
1959-60 (Weekly)											
Friday Figures											
35 Sept 4	93	23,86	713,86	25,70	1,070,20	1,833,62	1,784,06	2,11	4,24	41,87	69,27
36 " 11	93	23,38	721,60	28,66	1,073,06	1,846,71	1,794,66	1,79	3,22	41,88	73,13
37 " 18	93	23,76	718,11	29,41	1,083,27	1,854,56	1,801,39	7,49	3,88	43,35	79,20
38 " 25	94	28,61	712,40	29,12	1,086,45	1,856,59	1,798,85	3,14	3,16	41,72	70,08
39 Oct 2	94	25,80	719,42	30,12	1,084,40	1,859,74	1,803,82	7,88	4,28	39,81	77,89
40 " 9	94	23,64	705,30	28,18	1,082,50	1,839,62	1,787,80	10,20	6,28	41,09	70,98
41 " 16	94	23,42	719,38	28,42	1,088,38	1,859,60	1,807,76	3,59	4,22	44,56	79,19
42 " 23	94	27,24	721,48	27,94	1,097,80	1,874,46	1,819,28	3,03	4,04	43,15	74,83
43 " 30	94	23,56	701,28	27,63	1,097,53	1,849,99	1,798,80	13,85	5,83	38,66	72,07
44 Nov 6	94	24,49	711,51	27,73	1,097,72	1,861,45	1,809,23	10,83	4,12	46,88	68,66
45 " 13	94	23,31	716,21	28,23	1,105,43	1,873,18	1,821,64	1,65	3,65	43,91	81,17
46 " 20	94	18,32	716,82	30,49	1,114,06	1,879,70	1,830,88	1,37	5,32	43,14	80,83
47 " 27	94	20,54	717,14	30,46	1,117,71	1,885,85	1,834,85	1,56	4,56	42,70	76,81
48 Dec 4	94	16,11	706,70	29,84	1,120,51	1,873,17	1,827,21	6,74	7,87	43,10	75,25
49 " 11	94	16,00	714,28	30,10	1,111,82	1,872,20	1,826,10	9,83	7,47	42,92	65,61
50 " 18	94	17,65	714,52	28,18	1,111,33	1,873,68	1,825,85	12,04	9,55	43,00	69,88
51 " 25	94	22,28	716,87	25,36	1,110,22	1,874,73	1,827,09	11,83	8,70	44,52	69,53
1960											
52 Jan 1	94	15,84	739,75	24,75	1,107,23	1,887,57	1,846,98	32,22	9,06	52,13	102,33
53 " 8	94	18,75	727,71	21,83	1,106,81	1,875,10	1,834,52	22,21	12,54	44,82	68,01
54 " 15	94	16,41	732,22	22,13	1,107,29	1,878,04	1,839,50	25,25	13,01	45,44	76,70
55 " 22	94	22,78	738,46	21,43	1,113,16	1,895,83	1,851,62	24,14	12,23	44,72	74,60
56 " 29	94	18,80	742,10	22,68	1,115,39	1,898,97	1,857,49	27,02	13,50	43,99	70,56
57 Feb 5	94	14,48	729,88	22,40	1,120,59	1,887,36	1,850,48	39,44	14,49	43,82	65,82
58 " 12	94	14,81	725,54	22,28	1,123,73	1,886,36	1,849,28	49,33	14,66	44,34	76,48
59 " 19	94	15,83	735,66	23,12	1,132,24	1,906,85	1,867,90	40,00	14,33	45,87	72,24
60 " 26	94	14,83	742,27	23,62	1,130,94	1,911,65	1,873,21	41,49	14,78	46,83	74,55
61 Mar 4	94	13,61	740,03	24,48	1,134,79	1,912,91	1,874,81	46,69	10,94	47,06	79,39
62 " 11	94	14,72	747,27	24,12	1,136,54	1,922,65	1,883,21	56,33	12,40	56,94	68,41
63 " 18	94	12,32	758,20	21,61	1,131,94	1,924,07	1,890,14	76,88	14,84	62,82	80,77
64 " 25	94	12,62	781,33	20,50	1,120,69	1,935,14	1,902,02	79,44	16,82	62,12	90,79

(a) Excluding borrowings from the Reserve Bank of India and with effect from April 18, 1952 also those from the State Bank of India (Imperial Bank of India before July 1, 1955). (b) Although the totals include certain non-deposit items, the term 'deposit liabilities' is used here since the predominant portion of banks' liabilities consists of deposits.

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 27—(Contd.)

BANKS (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

Excess of (11) over the Statutory Minimum	Total Balances with the Reserve Bank (10+11)	Percent- age (13) to (7)	Balances with other Banks		Money at Call and Short Notice	Invest- ments in Govern- ment Securi- ties(c)	Percent- age (17) to (7)	Bills Purchased and Discounted		Total Bank Credit (19-20 +21)	Percentage of (22) to (7)
			Total Cash and Balances age with the Reserve Bank (10+11)	Percent- age with the Reserve Bank (13)				Inland	Foreign		
12	13	14	15	16	17	18	19	20	21	22	23
10,47	111,15	6 2	13,73	34,47	748,35	42 0	88,92	38,49	806,95	934,37	52 4
15,85	117,01	6 5	14,33	36,57	756,87	42 2	88,63	38,42	798,67	925,71	51 6
19,86	122,56	6 8	14,20	37,65	759,92	42 2	89,96	38,91	799,77	928,64	51 6
10,72	111,80	6 2	13,74	40,99	784,62	43 6	90,87	39,71	789,83	920,40	52 2
18,34	117,70	6 5	13,49	38,59	790,08	43 8	93,78	39,64	794,78	928,19	51 5
12,32	112,07	6 3	13,24	32,64	781,96	43 7	97,20	39,01	799,68	935,89	52 4
19,71	123,74	6 9	14,24	33,18	780,25	43 2	98,28	38,98	794,95	932,21	51 6
14,88	117,98	6 5	14,74	37,16	794,97	43 7	97,92	42,20	791,75	931,86	51 2
13,32	110,72	6 2	13,60	32,75	794,12	44 2	102,17	43,32	795,96	941,45	52 3
9,35	115,54	6 4	15,19	34,13	791,83	43 3	102,38	42,09	790,19	934,66	51 7
21,52	125,08	6 9	14,93	32,59	790,91	43 4	101,00	42,77	783,18	926,96	50 9
21,18	123,97	6 8	14,88	30,96	806,63	44 1	103,55	44,12	777,23	924,90	50 5
16,96	119,52	6 5	15,79	34,85	812,81	44 3	104,12	44,50	774,33	922,95	50 3
16,11	118,36	6 5	13,44	30,58	810,41	44 4	105,35	43,95	786,44	935,74	51 2
6,25	108,52	5 9	14,58	27,77	803,09	44 0	104,19	44,27	796,23	944,68	51 7
10,48	112,88	6 2	14,02	27,07	789,06	43 2	105,25	45,75	809,01	960,01	52 6
9,86	114,05	6 2	15,38	29,20	787,52	43 1	106,01	46,13	812,35	964,49	52 8
41,91	154,46	8 4	20,71	25,50	762,03	41 3	107,94	45,91	823,62	977,47	52 9
8,11	112,82	6 2	15,33	26,02	775,88	42 3	114,38	46,71	838,15	999,24	54 5
16,68	122,14	6 6	14,95	23,81	764,05	41 5	112,03	47,69	844,25	1,003,97	51 6
13,84	119,32	6 4	15,11	29,55	779,38	42 1	112,73	48,05	847,19	1,007,97	51 4
9,75	114,55	6 2	14,75	29,87	784,63	42 2	113,08	46,18	860,57	1,019,84	51 9
5,74	109,64	5 9	13,85	25,29	783,60	42 4	112,74	45,98	875,40	1,034,13	55 9
16,55	120,82	8 5	14,37	24,61	759,43	41 1	113,01	46,85	889,21	1,049,07	56 7
11,56	118,11	6 3	15,09	25,38	761,57	40 8	112,82	47,09	894,31	1,054,22	56 4
13,61	121,38	6 5	14,50	24,76	764,14	40 8	113,42	45,69	901,82	1,060,93	56 6
18,52	126,44	6 7	14,40	22,57	757,49	40 4	113,32	46,14	911,28	1,070,73	57 1
7,10	125,35	6 7	17,73	23,61	760,08	40 4	117,84	45,04	926,29	1,089,17	57 8
15,94	143,58	7 6	18,68	19,54	729,38	38 6	120,82	46,62	947,19	1,114,63	59 0
21,21	152,91	8 0	18,56	18,20	714,73	37 6	130,00	46,59	951,29	1,127,88	59 3

(c) At book value, including Treasury Bills and Treasury Deposit Receipts (d) Relates to 'Inland bills discounted' only (e) Includes 'Inland bills purchased' and 'Money at call and short notice'

STATEMENT 28
CHEQUE CLEARANCES (ANNUAL AND MONTHLY)

(Number in Thousands)
(Bureau of Labor Statistics)

Total		Bangalore			Bombay			Calcutta			Kanpur			Madras			Nagpur			New Delhi			Other Centres(s)		
Name Accts	Amo- unt																								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
1950-51	2,778	553,18	53	5,61	809	239,79	511	193,86	53	11,35	264	36,01	21	2,34	56	4,10	376	54,82	17	18	17	18	17		
1955-56	..	3,700	663,02	73	8,52	1,723	255,94	688	251,17	76	12,44	351	35,55	39	4,05	106	10,93	649	84,13	..	..	..	..	..
1956-57	3,334	727,03	57	10,31	1,233	276,06	717	266,46	73	13,89	334	42,73	33	5,16	107	20,60	706	91,83	..	..	..	..	..
1957-58	3,473	746,23	93	11,70	1,264	285,70	769	257,70	79	15,21	361	42,92	35	4,75	116	27,18	788	101,08	..	..	..	..	..
1958-59	3,764	813,93	103	14,40	1,344	310,36	722	275,53	81	14,69	377	44,07	34	4,99	265	30,96	943	118,92	..	..	..	..	..
1959-60	4,172	915,67	213	17,60	1,481	347,58	765	296,44	83	16,45	403	51,63	30	5,25	193	37,30	1,031	143,42	..	..	..	..	..
April	1959	4,128	923,19	115	18,71	1,431	355,85	787	293,52	96	17,11	492	50,05	37	5,57	185	34,59	1,084	147,78	..	..	..	..	..
May	..	4,660	849,53	102	16,20	1,441	323,65	757	262,53	98	17,77	384	46,63	34	4,88	135	34,34	1,052	142,44	..	..	..	..	..
June	..	3,817	792,48	106	16,12	1,361	299,23	699	247,95	69	16,15	365	44,90	32	4,92	106	31,30	1,008	132,01	..	..	..	..	..
July	..	4,218	907,46	210	17,66	1,494	347,36	790	290,36	92	16,47	424	51,77	36	4,76	194	38,98	1,100	140,09	..	..	..	..	..
August	..	4,846	855,11	108	17,54	1,313	323,56	737	282,66	79	14,39	392	48,19	33	4,02	184	34,72	1,001	125,04	..	..	..	..	..
September	..	4,670	891,11	120	17,90	1,393	328,10	760	305,83	84	14,20	424	53,70	36	4,66	202	34,05	1,053	132,66	..	..	..	..	..
October	..	4,721	875,15	115	15,66	1,527	345,01	698	271,46	80	14,47	359	46,77	37	4,73	194	40,10	1,055	136,97	..	..	..	..	..
November	..	4,246	919,09	123	16,42	1,693	335,67	794	307,70	81	15,37	426	51,66	37	5,09	298	38,97	1,054	148,24	..	..	..	..	..
December	..	4,700	1,021,42	124	18,38	1,594	379,79	816	345,73	109	19,22	431	55,59	38	5,32	205	41,04	1,192	156,65	..	..	..	..	..
January	1960	4,592	998,20	123	18,01	1,603	389,57	771	312,69	94	19,36	404	52,64	39	6,25	212	40,25	1,150	159,42	..	..	..	..	..
February	..	4,295	943,59	123	18,05	1,466	355,29	778	305,43	88	17,06	426	52,59	33	6,14	174	35,26	1,112	153,78	..	..	..	..	..
March	..	4,431	1,012,71	131	20,91	1,664	382,86	807	331,43	84	15,87	454	65,12	39	6,61	209	43,99	1,044	145,93	..	..	..	..	..

Note—Annual figures are averages of months

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 29

DEBTS TO CURRENT DEPOSIT ACCOUNTS WITH SCHEDULED BANKS (a)

(Amount in Lakhs of Rupees)

Banks	Number of reporting banks/offices (as at the date of business)			Debits to Current Deposit Accounts during the year/month (d)			Total of approved cash credit and overdraft limits (c)			Debits to Cash Credit and Overdraft limits during the year/month			Total Credit Outstanding (e)			Rate of Turnover of Current Deposits			Overall Rate of Turnover of Turnover		
	Of business and individuals			Of business and individuals			Of business and individuals			Of business and individuals			Of business and individuals			Of business and individuals			Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
1950-51	84	912	331,68	367,44	12,014.72	12,472.30	504,68(e)	519,27	491,45	441,21	44,7	33,9	33,9	33,9	345,69	36,1	41,7	14,3			
1951-52	87	1,084	340,12	377,40	15,211.56	15,224.45	521,97	436,17	491,09	416,60	42,0	39,7	39,7	39,7	441,21	44,7	47,7	17,5			
1952-53	97	1,087	340,12	347,16	13,259.00	13,788.02	493,73	519,28	519,28	433,06	43,6	40,6	40,6	40,6	416,60	41,6	46,4	16,8			
1953-54	85	1,090	306,56	326,34	13,378.13	13,889.91	519,28	519,28	519,28	417,93	46,7	44,7	44,7	44,7	417,93	46,7	47,7	17,4			
1954-55	60	1,112	232,76	348,20	15,041.54	15,579.24	521,00	547,70	547,70	515,12	50,9	45,0	45,0	45,0	515,12	50,9	52,4	17,1			
1955-56	81	1,118	347,10	374,05	16,285.02	16,323.33	589,74	609,65	609,65	624,83	62,6	55,9	55,9	55,9	624,83	62,6	64,4	16,0			
1956-57	80	1,022	362,98	400,58	17,635.52	18,370.84	667,53	688,86	688,86	700,83	59,2	45,3	45,3	45,3	700,83	59,2	60,0	16,0			
1957-58	83	1,213	369,09	430,70	18,511.45	19,517.74	718,81	745,87	745,87	747,91	70,75	39,6	39,6	39,6	747,91	70,75	71,4	17,4			
1958-59	85	1,213	346,05	408,72	13,716.14	14,794.65	739,27	774,93	5,671,42	5,794,71	70,75	36,2	36,2	36,2	774,93	70,75	71,4	17,4			
April	1959	85	1,277	353,36	407,72	1,236,81	1,320,57	891,21	924,50	529,26	537,79	722,56	42,0	38,0	38,0	38,0	722,56	42,0	46,7	16,7	
May	"	87	1,289	351,46	405,28	1,229,36	1,294,00	832,48	869,36	507,70	515,69	758,80	33,3	33,3	33,3	33,3	758,80	33,3	36,0	16,2	
June	"	86	1,277	379,52	434,74	1,067,32	1,156,85	838,86	874,26	479,48	488,17	717,93	31,0	31,0	31,0	31,0	717,93	31,0	35,2	15,1	
July	"	85	1,288	345,56	397,42	1,276,73	1,276,73	843,82	592,46	605,93	605,93	713,78	46,8	38,6	38,6	38,6	713,78	46,8	48,2	15,2	
August	"	86	1,326	361,18	410,07	1,122,11	1,220,20	836,43	875,83	460,96	473,55	722,21	37,3	37,3	37,3	37,3	722,21	37,3	39,9	15,8	
September	"	85	1,325	349,90	404,55	1,198,12	1,284,25	837,73	877,19	508,46	515,97	741,1	38,1	38,1	38,1	38,1	741,1	38,1	40,9	16,9	
October	"	85	1,319	338,49	382,47	1,244,27	1,298,47	845,96	885,18	493,57	505,86	745,86	40,7	40,7	40,7	40,7	745,86	40,7	42,7	17,1	
November	"	85	1,328	354,19	402,56	1,215,76	1,236,97	848,09	889,99	516,20	521,05	754,50	41,2	41,2	41,2	41,2	754,50	41,2	44,7	16,9	
December	"	84	1,300	358,49	407,12	1,476,96	833,43	882,17	609,47	618,35	748,37	40,3	43,3	43,3	43,3	748,37	40,3	49,7	19,5		
January	1960	88	1,303	334,27	385,97	1,203,28	1,289,93	810,58	857,82	605,87	618,10	754,70	43,2	41,1	41,1	41,1	754,70	43,2	45,4	16,4	
February	"	88	1,305	348,18	398,54	1,205,94	1,308,61	877,01	925,79	550,95	564,80	754,80	41,6	39,4	39,4	39,4	754,80	41,6	47,0	17,0	

Note.—The method of compilation of the rate of turnover of current deposits in the above statement has been changed from this year. Hitherto it was calculated by dividing the debits to current deposit accounts and overdrafts during the year by monthly average of current deposits. The cash credit and overdraft limits sanctioned were not taken into account although their debits were included in the total debits. Turnover of current deposits is now calculated by dividing debits to current accounts during the year by the monthly average of current deposits. An additional item on the overall rate of turnover of overdraft limits has also been introduced from this year. The overall rate of turnover is arrived at by dividing debits to current account and cash credit and overdrafts by the average outstanding of current account and effective cash credits and overdraft limits. Debts to cash credit and overdraft limits are separately available from the beginning of 1958 and as such the data shown in columns 5, 6, 12 and 13 from 1958-59 onwards are not comparable with the data for the earlier years. Monthly rates are expressed on an annual basis.

(a) Relates only to offices operating in towns with a population of one lakh and over. (b) Include credit balances in cash credits and overdraft limits upto 1957-58. (c) Annual figures are averages of monthly figures. Monthly figures are outstandings at the end of period. (d) Include debits to cash credits and overdraft limits upto 1957-58. (e) Average for three months.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 30
DEBITS TO CURRENT DEPOSIT ACCOUNTS WITH SCHEDULED BANKS
(State-wise Distribution)
(Business and individuals)

(Amount in Lakhs of Rupees)

Year or Month	All States (a)	Andhra Pradesh	Bihar	Bombay	Kerala	Madras	Mysore	Orissa	East Punjab	Rajasthan	Uttar Pradesh	West Bengal	Jammu & Kashmir	Delhi		
1958-59	.	346,05	5,98	6,21	139,33	4,71	4,33	21,81	7,73	82	5,06	2,83	14,42	94,00	97	37,85
April	1959	353,26	5,99	5,95	140,75	4,36	5,10	22,42	6,47	95	5,37	2,32	15,04	95,61	1,26	41,79
May	"	353,46	5,99	6,75	132,12	4,48	4,63	21,94	7,70	86	5,74	1,86	14,37	95,94	1,18	49,91
June	"	379,52	6,10	6,90	142,79	4,29	4,87	22,33	8,55	74	5,34	2,87	15,35	94,80	98	63,61
July	"	345,56	6,61	6,75	139,70	4,86	5,06	23,57	8,26	77	5,47	2,86	17,50	89,76	97	33,42
August	"	361,18	6,86	6,56	143,42	4,70	5,47	24,19	8,10	78	6,10	2,46	19,41	97,84	65	34,64
September	"	349,90	6,19	7,59	144,65	4,51	5,98	22,15	7,99	80	5,81	2,52	19,62	95,77	67	26,55
October	"	338,49	5,83	8,04	138,80	4,75	4,89	24,80	7,09	78	5,75	2,51	17,36	93,12	1,03	23,74
November	"	354,19	6,15	7,75	147,87	4,97	4,24	23,08	6,82	91	5,66	2,92	16,74	98,80	76	27,52
December	"	358,49	5,64	7,38	145,93	4,61	4,58	24,37	6,88	98	5,78	2,66	16,16	104,47	93	28,12
January	1960	334,27	5,75	7,80	144,46	4,58	4,22	24,18	7,33	29	5,05	2,17	15,01	86,76	1,04	25,63
February	"	348,18	6,15	7,56	146,29	4,01	4,16	23,69	6,42	34	4,83	1,86	13,53	102,61	91	25,82
1958-59	13,716,14	260,41	140,92	5,431,51	225,66	160,59	920,21	217,13	9,22	161,73	128,94	533,24	4,474,64	15,27	1,036,67	
April	1959	1,236,81	24,38	14,14 ^b	495,97	18,96	16,11	80,67	18,46	1,11	13,23	7,30	47,06	389,44	1,12	108,82
May	"	1,129,36	21,55	11,39	471,50	16,76	14,89	77,62	20,64	70	14,66	5,75	47,38	344,09	91	81,52
June	"	1,067,32	22,60	9,30	440,08	19,66	13,66	70,82	20,44	81	12,17	7,67	42,05	335,19	1,34	71,53
July	"	1,175,96	28,12	13,55	156,27	18,61	16,74	85,16	19,55	1,06	15,03	8,90	44,69	338,31	1,14	126,83
August	"	1,122,11	22,37	12,78	429,28	16,49	13,93	78,71	18,23	1,17	15,18	7,63	47,44	368,61	1,14	89,15
September	"	1,198,12	23,58	15,75	458,84	16,80	15,88	86,71	18,73	93	15,49	10,56	47,21	394,11	1,15	92,38
October	"	1,214,27	21,45	14,96	487,62	19,42	17,87	81,74	18,49	1,67	13,95	11,07	46,67	367,12	1,53	110,72
CREDIT TO CURRENT ACCOUNTS																
1958-59	13,716,14	260,41	140,92	5,431,51	225,66	160,59	920,21	217,13	9,22	161,73	128,94	533,24	4,474,64	15,27	1,036,67	

REPORT ON CURRENCY AND FINANCE, 1959-60

November "	1,215.76	24.00	14,41	485.30	22.11	16.18	84.35	16.94	79	18.57	6.90	46.67	386.23	1.23	89.58
December "	1,384.32	21.91	15.20	541.04	22.71	15.10	87.77	18.33	85	22.90	8.87	61.86	469.78	1.37	96.13
January 1960	1,203.28	21.31	16.31	540.54	21.39	14.70	86.11	20.27	50	15.89	7.49	53.71	307.32	1.10	96.64
February "	1,205.94	24.39	14.38	484.80	20.80	13.60	83.10	19.41	43	13.76	7.25	49.29	380.99	1.01	92.73

ANNUAL RATE OF TURNOVER (c)																
1958-59	39.6	43.5	22.7	39.0	47.9	37.1	42.2	28.1	11.2	32.0	45.6	37.0	47.6	15.7	27.4	
April	42.0	48.8	28.7	42.3	52.2	37.9	43.2	34.2	14.0	29.6	37.8	37.5	48.9	10.7	31.2	
May	38.3	43.2	20.3	42.8	44.9	38.6	42.5	32.2	9.8	30.6	37.1	39.6	43.0	9.3	19.6	
June	33.7	44.5	16.2	37.0	55.0	33.7	38.1	28.7	13.1	27.3	32.1	32.9	42.4	16.4	13.5	
July	"	40.8	51.0	27.6	39.2	46.0	39.7	43.4	28.4	16.5	33.0	37.3	30.6	45.2	14.1	45.5
August	"	37.3	39.1	23.4	35.9	42.1	30.6	39.0	27.0	18.0	29.9	37.2	29.3	45.2	21.0	30.9
September "	"	41.1	45.7	24.9	38.1	44.7	37.5	47.0	28.1	14.0	32.0	50.3	28.9	49.4	20.6	41.8
October "	"	43.0	44.2	22.3	42.2	49.1	43.9	39.6	31.3	25.7	29.1	52.9	32.3	47.3	17.8	56.0
November "	"	41.2	46.8	22.3	39.4	53.4	45.8	44.1	33.3	10.4	39.4	28.4	33.5	46.9	19.4	39.1
December "	"	46.3	46.6	24.7	44.5	59.1	39.6	43.2	32.8	10.4	47.5	40.0	45.9	54.0	17.7	41.0
January 1960	"	43.2	44.5	25.1	44.9	56.0	41.8	42.7	13.2	20.7	37.8	41.4	42.9	42.5	12.7	45.2
February "	"	41.6	47.6	22.8	39.8	62.2	39.2	42.1	36.3	15.2	34.2	46.8	43.7	44.6	13.3	43.1

(a) Relate only to centres with a population of more than one lakh. (b) Include credit balances in cash credits. Annual figures are averages of monthly end deposits while monthly figures are outstanding at the end of period. (c) Debits to current accounts during the year (or month) divided by the monthly average of (or month end) current deposits. Monthly rates are expressed on an annual basis.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 31

MONEY RATES

[Per cent per annum]

RESERVE BANK OF INDIA

Bank Rate	ADVANCES TO SCHEDULED BANKS				ADVANCES TO STATE CO-OPERATIVE BANKS				
	For general banking purposes [Sec 17 (4) (a)]	For financing bona fide commercial or trade transactions [Sec 17 (4) (c)]	For general banking purposes [Sec 17 (4) (a)]	For financing bona fide commercial or trade transactions [Sec 17 (4) (a)]	For seasonal financing agricultural operations and marketing of crops [Sec 17 (2) (a) or (4) (c)]	For co-operative sugar factories (Handloom) [Sec 17 (2) (b) or (4) (c)]	For financing cottage industries [Sec 17 (2) (bb) or (4) (c)]	For financing sugar industries [Sec 17 (4A) read with Sec 17 (2) (b)]	Medium-term loans
	1	2	3	4	5	6	7	8	9
1955-56	3½	3½	3 - 3½	3½	3½	1½	2 ½	1½	
1956-57	.	3½	3½-4½†	3½-4½†	3½-4 (a)	1½	2	1½	
1957-58		3½-4 (b)	4	3½-4 (b) ¼	4	1½-2 (b)	3½-4 (b)	2-2½ (b)	1½-2 (b)
1958-59	.	4	4	4	4	2	4	2½	2
1959-60	.	4	4	4	4	2	4	2½	2
April 1959	.	4	4	4	4	2	4	2½	2
May	"	4	4	4	4	2	4	2½	2
June	"	4	4	4	4	2	4	2½	2
July	"	4	4	4	4	2	4	2½	2
August	"	4	4	4	4	2	4	2½	2
September	"	4	4	4	4	2	4	2½	2
October	"	4	4	4	4	2	4	2½	2
November	"	4	4	4	4	2	4	2½	2
December	"	4	4	4	4	2	4	2½	2
January 1960	.	4	4	4	4	2	4	2½	2
February	"	4	4	4	4	2	4	2½	2
March	"	4	4	4	4	2	4	2½	2

¹ 2% below the Bank rate ² 1½% below the Bank rate ³ With effect from March 1, 1956 ⁴ With effect from February 1, 1957 ⁵ With effect from November 21, 1956 ⁶ \$5 In force from January 1956 ⁷ The effective borrowing rate including the stamp duties on usance bills amounts to 4 per cent on February 8, 1957 and to 4.2 per cent from May 16, 1957. (a) With effect from February 16, 1957 (b) With effect from May 16, 1957

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 31—(Contd.)
MONEY RATES

(Per cent per annum)

STATE BANK OF INDIA

	Hun- di- rate 10	Ad- vance rate 11	CALL LOAN			DEPOSITS AT NOTICE OF 7 DAYS(g)			FIXED DEPOSITS(g)					
			Rs 5 lakhs	Below Rs 5 & over 12	Rs 5 lakhs 13	Bom- bay 14	Cal- cutta 15	Mad- ras 16	Bom- bay 17	Cal- cutta 18	Mad- ras 19	Bom- bay 20	Cal- cutta 21	Mad- ras 22
						3 months			6 months					
1955-56	4½-5(c)	4	3½	3½										
Apr -Nov														
1956-57	5-5½(d)	4-4½(d)	3½-4(d)	3½-4½(d)										
Dec -Mar														
1957-58	5½-5½(e)	4½-4½(e)	4	4½										
Apr -Sept														
1958-59	5½-5½(f)	4½	4	4½										
Oct -Mar														
1959-60	5½	4½	4	4½	1-3	2½	3	2½-3	1½-2½	1½-2½	2-2½	2	2-3½	2-3½
April 1959	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
May	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
June	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
July	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
August	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
September	5½	4½	4	4½	3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
October	5½	4½	4	4½	2½-3	2½	2½	3	1½	2½	2-2½	2	2	2-3½
November	5½	4½	4	4½	2½	2½	2½	3	1½	2½	2-2½	2	2	2-3½
December	5½	4½	4	4½	2½-3	2½	2½	3	2½	2½	2-2½	2	2	2-3½
January 1960	5½	4½	4	4½	1-3	2½	1½	3	1½	2½	2-2½	2	2	2-3½
February	5½	4½	4	4½	1-2½	1½	3	2½	1½-2½	2	2	2	2	2-3½
March	5½	4½	4	4½	1-3	2½	1½	3	1½-2½	2	2	2	2	2-3½

**STATE BANK OF
INDIA—Contd**

**OTHER SELECTED MAJOR SCHEDULED
BANKS**

	Fixed Deposits(g)—Contd			Call Money from Banks(h)			Deposits at Notice of 7 Days(g)					
	12 months			Bombay 23	Calcutta 24	Madras 25	Bombay 26	Calcutta 27	Madras 28	Bombay 29	Calcutta 30	Madras 31
1955-56							3½	4½	3½			
Apr -Nov							3½	3½	3½			
1956-57												
Dec -Mar	11-3½	2½	2½-3½	31-4½	31-4½	31-4½	31-4½	31-4½	31-4½	2½-3½	2½-3½	2½-3½
1957-58	2½	2½	2½	2½-4½	2½-5½	3-4½	2½-3½	2½-3½	3-4½	2½-3½	2½-3½	3-3½
Apr -Sept	2½	2½	2½	2-4½	2-4½	2½-3½						
1958-59												
Oct -Mar	2½	2½	2½	1-3½	1-4	1-4	1-4	1-4	1-4	2½-3½	2½-3½	1½-3½
1959-60	2½	2½	2½	2½	3-4	3-4	3-4	3-4	3-4	2½-3½	2½-3½	2½-3½
April 1959	2½	2½	2½	3½-3½	3½-4½	3½-4½	3½-4½	3½-4½	3-4	2½-3½	2½-3½	3½-3½
May	2½	2½	2½	3½-3½	3½-3½	3½-3½	3½-3½	3½-3½	3-3½	2½-3½	2½-3½	3½-3½
June	2½	2½	2½	2½	1-3½	3½-3½	3½-3½	3½-3½	3-3½	2½-3½	2½-3½	3½-3½
July	2½	2½	2½	2½	3-3½	1-3½	1-3½	1-3½	12-3½	2½-3½	2½-3½	3-3½
August	2½	2½	2½	2½	11-3½	1-3½	1-3½	1-3½	11-3½	3-3½	3-3½	2½-3½
September	2½	2½	2½	2½	11-2½	11-2½	11-2½	11-2½	3-3½	3-3½	2½-3½	3½-3½
October	2½	2½	2½	11-3½	11-3½	11-3½	11-3½	11-3½	3-3½	2½-3½	2½-3½	3½-3½
November	2½	2½	2½	2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	3½-3½
December	2½	2½	2½	2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	3½-3½
January 1960	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½-3½
February	2½	2½	2½	2½	2½	2½	2½	2½	3-3½	3-3½	2½-3½	2½-3½
March	2½	2½	2½	2½	2½	2½	2½	2½	3-3½	3-3½	2½-3½	3½-3½

(c) From March 7, 1956 (d) From February 1, 1957

(e) From May 16, 1957 (f) From October 27, 1958

†No transaction

STATEMENT 31—(Contd.)

MONEY RATES

[Per cent per annum]

OTHER SELECTED MAJOR SCHEDULED BANKS—*Contd.*

	FIXED DEPOSITS (g)(h)												BAZAAR BILL RATE (h)(i)			
	3 MONTHS			6 MONTHS			12 MONTHS									
	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	Bom- bay	Cal- cutta	Mad- ras	
	32	33	34	35	36	37	38	39	40	41	42	43				
1955-56	3½	2½	2½	3½	2½	2½	3			10½	10½-11	12				
Apr -Nov	3½	3	3	3½	3	3	3½			9½	10½-11	12				
1956-57	2½-4½	2½-4½	2-4½	2-4½	2-4½	2-4	2-5	2½-4½	2-4	2-4	10½-11½	10½-11	12-12½			
Dec -Mar	2½-4½	2½-4½	2½-5	2½-4½	2½-4½	2½-5	2½-4½	2-4½	2-5	9½-11½	9½-11½	12½-12¾				
1957-58	3-4½	2½-4½	2½-5	2½-4½	2½-4½	2½-5	2½-4½	2-4½	2-5	9-11½	9-11½	12-12½				
Apr -Sept	2½-4½	2½-4½	2-5	2½-4½	2½-4½	2-4½	2-4½	2½-4½	2½-5	8½-10½	9-11½	12½				
1958-59	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2½-4	2½-4	2-4	2-4	2-4	2-4	9-11½	9-10½	12-12½	
Oct -Mar	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	2-4	9-11½	9-10½	12-12½	
1959-60	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9-11½	9-10½	12-12½	
April 1959	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9-9½	9-10	12½	
May	2½-4	2½-4	3-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9-10½	9-10	12½	
June	2½-4	2½-4	3-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9½-10½	9-10	12½	
July	3-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9-10½	9-10	12½	
August	3-4	2½-4	3-4	2½-4	2½-4	2½-4	2½-4	2½-4	2½-4	2-4	2-4	2-4	9-10½	9-10	12½	
September	2½-3½	2½-3½	2½-4	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-4	2-4	2-4	9-10½	9-10	12½	
October	3-3½	2½-3½	3-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-10½	9-10	12½-12¾	
November	2½-3½	2½-3½	3-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-10½	9-10	12	
December	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-10½	9-10	12	
January 1960	2½-3½	2½-3½	3-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-10½	9½-10½	12	
February	3½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-11½	9½-10½	12	
March	3½-3½	2½-3½	3-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2½-3½	2-3½	2-3½	2-3½	9-11½	9½-10½	12	

(g) The rates relate to local head offices of the banks and include brokerage upto September 1958 and are exclusive of brokerage thereafter (h) Prior to December 1956 data relate to last Friday of the years/months subsequent data provide ranges during the period (i) Rate at which bills of small traders are reported to have been discounted by shroffs These are unofficial quotations (j) From October 16, 1959

Source State Bank of India and selected major Scheduled banks

STATEMENT 32

REMITTANCE STATISTICS REMITTANCES THROUGH THE RESERVE BANK OF INDIA

(A) REMITTANCES THROUGH THE RESERVE BANK OF INDIA Telegraphic Transfers Issued and Paid

(Crates of Rupees)

Year/Half year	TOTAL		BOMBAY		CALCUTTA		NEW DELHI		KANPUR		MADRAS		BANGALORE(a)		NAGPUR(b)	
	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid	Issued	Paid
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1950-51	791 6	1,018 6	229 1	346 4	325 3	368 9	105 4	84 4	53 3	61 6	78 5	154 4	—	—	—	—
1,079 8	1,075 7	192 0	462 7	585 5	240 4	150 8	119 0	43 6	67 2	82 9	145 8	25 1	10 7	10 7	50 6	
1,365 6	1,326 2	237 6	548 8	668 6	369 2	236 8	156 3	66 2	64 2	113 5	133 6	32 2	12 7	10 7	51 5	
1,670 5	1,537 8	227 5	632 4	810 8	418 2	334 6	181 1	66 9	80 5	142 7	141 6	31 5	12 5	56 6	—	
2,072 2	1,886 6	397 0	767 8	917 1	532 4	414 8	203 9	87 1	71 3	164 2	150 7	41 7	19 8	50 4	85 4	
2,162 1	2,114 3	341 3	632 4	817 9	811 7	413 2	216 8	87 4	86 8	176 4	187 9	50 9	20 8	374 9	33 8	
April 1958 to September 1958	924 8	863 4	159 3	385 3	394 2	521 3	182 4	83 2	55 2	35 3	81 5	78 7	23 9	10 2	28 5	19 5
October 1958 to March 1959	1,147 5	1,023 2	237 7	382 0	382 0	331 1	232 4	126 7	32 0	35 9	82 8	78 1	17 8	6 6	21 9	65 9
April 1959 to September 1959	1,067 5	1,015 4	154 7	463 1	410 0	345 6	202 9	85 0	54 2	48 5	91 5	84 2	32 3	12 0	121 9	17 6
October 1959 to March 1960	1,194 5	1,099 0	186 6	279 0	407 9	496 0	210 3	131 8	33 2	67 3	84 9	102 9	18 6	14 9	253 1	10 8

(a) Opened in July 1953 (b) Opened in September 1956

(B) REMITTANCES (c) BETWEEN THE OFFICES OF THE STATE BANK OF INDIA (d)

To Bengal Circle from	To Bengal Circle from			To Bombay Circle from			To Madras Circle from			To Delhi Circle from(e)			To Delhi Circle from(e)				
	Total	Bengal	Bombay	Madras	Bengal	Bombay	Madras	Bengal	Bombay	Delhi	Total	Bengal	Bombay	Madras	Delhi	Delhi	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	21
1950-51	1,217 4	477 6	346 2	94 9	36 5	446 5	122 1	268 4	56 0	293 3	31 2	35 4	226 8	—	—	—	—
1955-56	1,675 9	719 1	548 3	133 2	37 7	645 3	217 4	368 6	59 2	311 5	50 6	50 3	210 6	—	—	—	—
1956-57	1,962 3	848 6	646 0	161 8	40 8	748 9	243 3	419 7	85 9	364 8	50 2	60 6	254 0	—	—	—	—
1957-58	2,312 4	1,018 4	758 2	210 5	49 7	841 9	322 5	0 416 4	100 5	452 1	60 9	73 7	311 5	—	—	—	—
1958-59	2,597 7	729 4	467 4	109 6	55 5	96 9	915 2	141 9	487 7	116 1	169 5	593 1	41 4	78 7	388 6	14 4	450 0
1959-60	2,941 0	854 8	487 2	157 2	54 2	156 2	842 6	102 7	544 4	93 2	102 3	641 7	46 0	137 6	438 7	19 4	601 8

Note — Figures relate to the Indian Union (c) Telegraphic transfers paid, Mail Transfers received, Drafts paid and Demand Drafts purchased (d)
Figures prior to July 1, 1955 relate to the Imperial Bank of India (e) Opened since January 1, 1958 For earlier years figures of Delhi Circle are included in Bengal and Bombay Circles

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

LIABILITIES AND ASSETS (ANNUAL AND

(Issue and Banking)

	LIABILITIES							Total Liabilities or Assets	
	Deposits						Other Liabilities (a)		
	Notes in Circulation	Central Government	Other Governments	Banks	Others	Total			
	1	2	3	4	5	6	7	8	
Average of Friday Figures									
1 1950-51	1,163.21	148.60	17.71	62.22	62.29	290.82	45.33	1,499.37	
2 1955-56	1,339.39	60.11	19.85	53.77	18.31	152.04	62.67	1,554.11	
3 1956-57	1,475.77	57.52	14.10	52.46	19.73	143.81	119.96	1,739.54	
4 1957-58	1,529.36	54.61	11.28	81.00	111.38	258.27	172.54	1,960.16	
5 1958-59	1,593.88	57.62	20.80	87.53	118.73	284.67	176.11	2,054.65	
6 1959-60	1,730.90	55.50	23.24	79.61	123.48	281.83	188.04	2,200.77	
As at the close of last Friday									
7 1950-51	1,247.41	162.04	26.40	59.28	72.31	320.03	44.82	1,612.27	
8 1955-56	1,466.64	67.34	62.03	53.24	16.68	199.30	71.23	1,737.18	
9 1956-57	1,526.09	64.57	31.95	57.77	74.28	228.56	182.80	1,937.45	
10 1957-58	1,579.13	48.33	54.85	67.83	117.52	288.53	187.67	2,055.33	
11 1958-59	1,701.53	53.83	26.72	67.57	119.07	267.19	205.27	2,174.98	
12 1959-60	1,844.90	63.15	42.97	92.90	100.10	299.12	238.28	2,382.30	
1959-60 (weekly)									
As at the close of 1959									
13 April 3	1,744.31	60.61	11.84	73.08	118.93	264.45	199.04	2,207.80	
14 " 10	1,764.48	49.59	7.50	91.53	118.29	266.91	192.05	2,223.44	
15 " 17	1,765.18	49.62	24.71	77.91	117.96	270.21	193.49	2,228.88	
16 " 24	1,751.46	53.63	32.97	91.60	117.94	296.14	203.51	2,251.11	
17 May 1	1,751.11	53.28	22.44	83.70	118.06	277.48	201.29	2,229.88	
18 " 8	1,774.72	51.75	16.44	68.67	117.95	254.82	186.33	2,215.87	
19 " 15	1,765.98	52.97	9.73	72.32	118.72	253.73	201.52	2,221.24	
20 " 22	1,752.35	54.40	17.79	80.40	118.33	270.92	203.63	2,226.90	
21 " 29	1,738.65	71.74	15.96	73.85	119.25	280.80	213.66	2,233.11	
22 June 5	1,755.43	53.04	13.17	74.02	119.92	260.15	195.61	2,211.20	
23 " 12	1,753.79	52.56	9.93	72.67	119.49	254.66	198.79	2,207.24	
24 " 19	1,737.79	49.82	18.29	79.88	119.72	267.71	218.61	2,224.10	
25 " 26	1,713.56	50.47	16.60	99.35	120.47	286.88	230.27	2,230.71	
26 July 3	1,721.40	59.04	13.80	65.98	162.47	301.29	169.77	2,192.46	
27 " 10	1,721.71	51.69	14.05	77.14	161.38	304.27	164.06	2,190.03	
28 " 17	1,705.08	49.56	39.36	91.79	163.09	343.80	163.31	2,212.19	
29 " 24	1,680.34	64.62	27.90	89.95	160.91	343.37	167.85	2,191.56	
30 " 31	1,666.04	60.16	22.32	81.10	161.30	324.88	175.99	2,166.91	
31 August 7	1,688.91	53.37	13.20	76.60	161.05	304.22	159.66	2,152.79	
32 " 14	1,680.12	54.55	41.75	95.09	160.78	352.16	171.07	2,203.35	
33 " 21	1,663.81	58.11	61.89	78.94	177.47	376.42	180.99	2,221.21	
34 " 28	1,650.21	63.49	33.78	86.03	122.48	305.78	197.99	2,153.98	

[For footnotes please see end of the Statement]

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 33

WEEKLY) OF THE RESERVE BANK OF INDIA

Departments Combined)

(Lakhs of Rupees)

ASSETS

Gold Coin and Bullion (b)	Foreign Assets (c)	Rupee coin (d)	Notes	Rupee Securities	Loans and Advances to Governments (e)	Other Loans and Advances	Bills Purchased and Dis- counted	Other Assets
9	10	11	12	13	14	15	16	17
40,02	832.40	57.33	17.19	535.19	2.37	6.77	3.05	5.06
40,02	723.48	107.00	17.08	602.42	1.73	36.99	9.78	15.61
40,02	610.38	116.09	18.73	807.04	4.89	85.34	5.69	13.60
117.76								
117.76	370.12	130.18	23.18	1,188.98	32.90	77.91	4.81	14.32
117.76	207.61	134.06	19.34	1,463.91	28.23	65.83	6.18	11.73
117.76	196.59	131.58	19.86	1,592.77	25.53	88.92	15.54	12.22
117.76								
40,02	884.18	54.51	11.72	585.83	1.56	16.75	8.21	9.50
40,02	746.13	103.31	11.77	726.01	—	79.94	12.23	17.77
117.76	526.83	122.79	11.77	1,006.20	7.65	127.87	2.98	13.61
117.76	267.00	129.42	10.21	1,409.55	21.23	78.40	7.68	14.08
117.76	213.06	130.16	15.60	1,542.96	24.77	113.44	5.18	12.05
117.76	197.12	124.23	21.94	1,694.51	22.34	156.54	33.60	14.26
117.76								
117.76	214.33	132.80	15.42	1,562.71	31.26	97.86	23.11	12.55
117.76	213.94	131.77	14.22	1,562.75	35.99	89.06	34.26	23.68
117.76	210.87	131.90	13.53	1,597.17	38.17	79.45	27.40	12.63
117.76	208.69	132.86	28.14	1,626.54	43.95	73.44	7.06	12.66
117.76	203.22	132.16	27.53	1,615.79	39.39	75.97	5.10	12.96
117.76	203.74	129.74	11.51	1,605.59	41.39	87.68	5.36	13.11
117.76	202.62	129.46	19.97	1,605.60	43.53	74.79	14.35	13.16
117.76	202.31	129.69	18.83	1,634.94	32.62	66.85	10.74	13.17
117.76	199.01	130.02	32.87	1,634.47	34.10	61.15	10.30	13.44
117.76	197.92	127.88	13.93	1,644.09	32.22	63.20	.75	13.44
117.76	196.02	128.18	15.87	1,643.31	31.53	59.77	1.36	13.45
117.76	193.63	129.05	32.73	1,648.09	27.18	61.70	.49	13.48
117.76	192.56	130.57	38.45	1,648.12	23.43	64.81	1.13	13.89
117.76	190.30	129.68	19.73	1,609.95	26.74	74.88	8.04	15.38
117.76	186.57	129.94	19.67	1,609.74	29.47	70.97	11.06	14.86
117.76	182.94	131.38	22.76	1,649.30	21.23	67.80	6.17	12.85
117.76	180.25	133.55	24.74	1,633.11	22.11	65.78	2.32	11.94
117.76	177.83	135.03	30.82	1,605.78	22.75	66.26	2.22	10.46
117.76	176.44	133.37	11.72	1,605.48	27.40	70.07	.95	10.00
117.76	174.66	134.28	21.02	1,650.06	22.05	69.20	4.29	10.04
117.76	178.56	135.59	23.67	1,650.03	17.98	83.52	5.14	8.97
117.76	183.26	136.85	38.52	1,571.41	18.31	73.52	5.16	9.19

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

LIABILITIES AND ASSETS (ANNUAL AND
(Issue and Banking)

LIABILITIES

		Notes in Circulation	Deposits			Other Liabilities (a)	Total Liabilities or Assets			
			Central Government	Other Governments	Banks					
			1	2	3	4	5	6	7	8
1959										
35	September	4	1,664.91	65.36	23.82	70.19	121.82	281.19	172.19	2,118.29
36	"	11	1,670.29	56.82	20.47	80.77	120.01	278.08	165.20	2,113.56
37	"	18	1,657.81	64.34	19.97	85.18	120.82	290.31	170.63	2,118.75
38	"	25	1,642.00	59.70	17.66	76.11	120.46	273.93	189.72	2,105.65
39	October	2	1,649.25	60.06	9.86	81.65	119.62	271.19	181.65	2,102.08
40	"	9	1,686.53	56.11	6.28	67.16	118.50	248.05	163.42	2,098.00
41	"	16	1,681.06	53.01	29.93	81.00	118.69	282.62	172.44	2,136.12
42	"	23	1,668.24	67.39	18.19	80.91	118.24	284.72	187.65	2,140.61
43	"	30	1,686.20	55.01	30.26	73.44	118.62	277.33	166.79	2,130.32
44	November	6	1,704.27	52.85	13.92	73.61	118.95	259.33	169.69	2,133.29
45	"	13	1,696.02	50.44	18.85	86.55	119.66	275.50	183.78	2,155.30
46	"	20	1,683.84	49.45	21.67	83.31	119.02	273.45	189.06	2,146.34
47	"	27	1,679.21	49.46	27.21	81.43	119.02	277.13	193.41	2,149.75
48	December	4	1,710.26	52.89	14.66	78.24	119.03	264.82	180.14	2,155.22
49	"	11	1,731.37	60.06	9.34	68.54	118.12	256.05	176.50	2,163.93
50	"	18	1,728.97	49.49	25.96	73.84	116.88	266.17	184.83	2,179.98
51	"	25	1,730.11	58.87	24.65	73.02	116.35	272.89	179.78	2,182.79
1960										
52	January	1	1,742.63	55.56	20.76	106.58	115.76	298.65	179.21	2,220.49
53	"	8	1,775.08	64.37	12.54	68.25	122.43	267.58	178.60	2,221.26
54	"	15	1,777.90	49.41	40.37	80.69	122.57	293.04	182.33	2,253.26
55	"	22	1,767.32	52.20	24.76	78.36	123.40	278.71	195.95	2,241.98
56	"	29	1,767.44	49.78	21.27	73.75	119.66	264.45	194.36	2,226.25
57	February	5	1,796.80	49.25	25.74	66.29	119.36	260.64	192.16	2,249.60
58	"	12	1,811.94	66.96	28.85	81.20	108.51	277.52	189.17	2,278.62
59	"	19	1,806.55	50.75	26.47	75.59	108.52	261.33	198.12	2,266.00
60	"	26	1,798.98	51.76	30.22	79.96	93.90	255.85	205.56	2,260.38
61	March	4	1,820.91	50.37	34.27	81.92	94.49	261.05	195.70	2,277.65
62	"	11	1,837.90	50.64	29.76	71.63	93.04	247.07	196.58	2,281.55
63	"	18	1,841.93	52.62	60.45	85.84	97.27	296.19	216.80	2,354.92
64	"	25	1,844.90	63.15	42.97	92.90	100.10	299.12	238.28	2,382.30

(a) Including (i) paid-up capital of Rs 5 crores, (ii) reserve fund of Rs 5 crores upto June 28, 1957 and of Rs 80 from February 3, 1956, Rs 15 crores from July 6, 1956, Rs 20 crores from July 5, 1957, Rs 25 crores from July 4, 1958, Rs 2 crores from July 5, 1957, Rs 3 crores from July 4, 1958 and Rs 4 crores from July 3, 1959 (b) The and at Rs 62.50 per tola thereafter (c) including cash and short-term securities (d) Including one rupee notes and

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 33—(Contd.)

WEEKLY) OF THE RESERVE BANK OF INDIA

Departments Combined)

(Lakhs of Rupees)

ASSETS									
Gold Coin and Bullion (b)	Foreign Assets (c)	Rupee Coin (d)	Notes	Rupee Securities	Loans and Advances to Governments (e)	Other Loans and Advances	Bills Purchased and Discounted	Other Assets	
9	10	11	12	13	14	15	16	17	
117,76	184,24	135,42	22,36	1,554,29	16,58	72,97	5,39	9,28	35
117,76	186,26	135,47	17,03	1,550,51	19,02	74,16	4,01	9,35	36
117,76	183,04	136,73	20,85	1,548,81	16,74	80,85	4,58	9,38	37
117,76	180,91	137,32	37,37	1,524,54	17,05	78,04	3,23	9,42	38
117,76	178,98	137,28	30,06	1,521,17	19,31	83,11	4,68	9,72	39
117,76	177,21	134,95	10,48	1,499,53	24,81	85,99	37,46	9,81	40
117,76	185,18	135,49	16,60	1,528,23	18,24	80,87	43,84	9,90	41
117,76	187,87	136,63	30,65	1,528,12	18,55	80,62	30,37	10,03	42
117,76	198,20	134,61	10,69	1,522,29	20,25	92,47	23,57	10,48	43
117,76	199,96	132,77	10,81	1,531,22	24,83	89,99	15,33	10,62	44
117,76	202,89	133,33	19,64	1,544,96	25,83	81,18	19,02	10,69	45
117,76	204,56	134,46	23,03	1,543,67	21,47	80,90	9,76	10,72	46
117,76	204,14	135,37	28,56	1,540,17	22,95	81,18	8,64	10,99	47
117,76	204,21	133,07	15,20	1,554,43	26,67	86,60	6,25	11,02	48
117,76	205,19	132,32	8,36	1,553,84	27,86	90,95	16,53	11,12	49
117,76	208,79	132,81	11,26	1,563,68	21,43	92,77	20,18	11,30	50
117,76	213,14	132,99	11,01	1,564,26	19,24	92,36	20,32	11,71	51
117,76	212,63	132,50	8,01	1,563,20	19,94	112,55	41,34	12,56	52
117,76	211,36	129,88	12,93	1,560,89	24,55	102,89	48,12	12,88	53
117,76	209,79	129,55	9,79	1,590,46	20,78	105,54	56,68	12,91	54
117,76	207,03	129,88	20,68	1,590,25	22,12	104,94	36,37	12,95	55
117,76	206,99	130,06	20,67	1,594,70	20,27	107,80	14,69	13,33	56
117,76	207,35	127,27	18,51	1,609,74	21,75	121,04	12,80	13,38	57
117,76	207,35	126,37	12,44	1,610,31	23,50	130,25	37,18	13,47	58
117,76	202,85	126,63	18,06	1,620,10	24,63	121,23	21,28	13,47	59
117,76	198,81	126,94	25,95	1,622,01	25,99	121,07	8,11	13,75	60
117,76	196,73	124,48	21,42	1,644,31	27,77	126,52	4,79	13,86	61
117,76	193,28	123,76	8,67	1,649,59	29,49	135,61	7,48	13,91	62
117,76	194,97	123,82	14,51	1,686,44	20,64	155,12	27,58	14,08	63
117,76	197,12	124,23	21,94	1,694,51	22,34	156,34	33,60	14,26	64

crores from July 5, 1957, (iii) Rs 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund 1958 and Rs 30 crores from July 3, 1959 and (iv) National Agricultural Credit (Stabilisation) Fund of Rs 1 crore from gold reserves of the Issue Department are valued at the statutory rate of Rs 21.24 per tola upto October 5, 1956 subsidiary com (e) Including temporary overdrafts to State Governments from August 23, 1957.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 34

RESERVE BANK OF INDIA : ISSUE DEPARTMENT
STATEMENT OF LIABILITIES AND ASSETS (ANNUAL AND WEEKLY)

(Lakhs of Rupees)

		LIABILITIES			ASSETS		
	Notes held in the Banking Department	Total Liabilities (Total Notes Issued) or Assets	Gold and Bullion (a)	Foreign Securities	Rupee Coin (b)	Rupee Securities	
1	2	3	4	5	6	7	
Average of Friday figures							
1955-56	-	1,163.21	17.19	1,180.40	40.02	624.70	
1955-56	-	1,339.39	17.08	1,356.47	40.02	656.52	
1956-57	-	1,455.77	18.75	1,494.52	40.02	545.61	
1957-58	-	1,559.36	23.18	1,582.53	117.76	329.65	
1958-59	-	1,533.88	19.34	1,613.21	117.76	182.04	
1959-60	-	1,720.90	19.86	1,750.77	117.76	167.62	
At the close of last Friday							
1955-56	-	1,247.41	11.72	1,259.13	40.02	678.15	
1956-57	-	1,466.64	11.77	1,478.41	40.02	656.42	
1957-58	-	1,556.09	11.51	1,517.86	117.76	411.52	
1958-59	-	1,539.13	10.21	1,589.35	117.76	171.19	
1959-60	-	1,701.53	13.60	1,717.12	117.76	129.29	
1959-60	-	1,844.90	21.94	1,866.84	117.76	163.01	
1959-60 (weekly)							
As at the close of 1959							
April	3	1,744.31	15.42	1,759.73	117.76	178.01	
"	10	1,764.48	14.72	1,778.71	117.76	178.01	
"	17	1,755.18	13.53	1,778.71	117.76	178.01	
"	24	1,751.46	28.14	1,779.60	117.76	178.01	
May	1	1,751.11	27.53	1,778.64	117.76	178.01	
"	8	1,774.72	11.51	1,286.23	117.76	178.01	
"	15	1,765.98	19.97	1,785.95	117.76	178.01	
"	22	1,752.35	18.83	1,771.17	117.76	178.01	
"	29	1,759.65	3.87	1,771.52	117.76	178.01	
June	5	-	1,755.43	11.93	1,769.26	117.76	
"	12	-	1,753.79	15.87	1,769.66	117.76	
"	19	-	1,757.79	32.73	1,770.51	117.76	
"	26	-	1,713.56	38.45	1,752.01	117.76	

REPORT ON CURRENCY AND FINANCE, 1959-60

July	3	1,721,40	19,73	1,741,13	1776	178,01	129,63	1,315,73
"	10	1,721,71	19,67	1,741,38	1776	173,01	129,88	1,320,73
"	17	1,705,08	22,76	1,727,83	1776	173,01	131,32	1,305,75
"	24	1,680,34	24,74	1,705,08	1776	168,01	134,48	1,285,84
"	31	1,666,04	30,82	1,696,85	1776	168,01	134,96	1,276,13
August	7	1,688,91	11,32	1,700,23	1776	161,01	133,29	1,286,17
"	14	1,680,12	21,02	1,701,13	1776	163,01	134,20	1,286,17
"	21	1,663,81	23,67	1,687,48	1776	163,01	135,52	1,271,19
"	28	1,650,21	38,52	1,688,73	1776	163,01	136,78	1,271,19
September	4	1,664,91	22,36	1,687,27	1776	163,01	135,32	1,271,19
"	11	1,670,29	17,03	1,687,32	1776	163,01	135,36	1,271,19
"	18	1,657,81	20,85	1,678,66	1776	163,01	136,63	1,261,27
"	25	1,642,00	37,37	1,679,37	1776	163,01	137,22	1,261,38
October	2	1,649,25	30,06	1,679,31	1776	163,01	137,14	1,261,40
"	9	1,686,53	10,48	1,697,01	1776	163,01	134,85	1,281,40
"	16	1,681,06	16,60	1,697,66	1776	163,01	135,38	1,281,51
"	23	1,668,24	30,63	1,698,89	1776	163,01	126,53	1,281,59
"	30	1,668,20	10,69	1,696,89	1776	163,01	134,47	1,281,65
November	6	1,704,27	10,81	1,715,08	1776	163,01	132,65	1,301,66
"	13	1,696,02	19,64	1,715,66	1776	163,01	130,68	1,291,68
"	20	1,683,84	21,03	1,706,86	1776	163,01	134,41	1,291,69
"	27	1,679,21	28,56	1,707,77	1776	163,01	135,31	1,291,69
December	4	1,710,26	15,20	1,725,47	1776	163,01	133,01	1,311,69
"	11	1,731,37	8,36	1,739,73	1776	163,01	132,27	1,326,69
"	18	1,728,97	11,26	1,740,23	1776	163,01	132,75	1,326,71
"	25	1,730,11	11,01	1,741,12	1776	163,01	132,93	1,327,43
1960								
January	1	1,742,63	8,01	1,750,64	1776	163,01	122,44	1,327,43
"	8	1,775,08	12,93	1,788,01	1776	163,01	129,81	1,377,43
"	15	1,777,90	9,79	1,787,69	1776	163,01	129,49	1,377,43
"	22	1,671,32	20,68	1,788,06	1776	163,01	129,81	1,377,42
"	29	1,767,44	20,67	1,788,12	1776	163,01	129,99	1,377,36
February	5	1,796,80	18,51	1,815,31	1776	163,01	127,20	1,407,34
"	12	1,811,94	12,44	1,824,38	1776	163,01	126,29	1,417,32
"	19	1,806,55	18,06	1,824,62	1776	163,01	126,55	1,417,30
"	26	1,798,98	25,95	1,824,92	1776	163,01	126,86	1,417,30
March	4	1,820,91	21,42	1,842,33	1776	163,01	124,42	1,417,14
"	11	1,837,90	8,67	1,846,57	1776	163,01	123,69	1,442,11
"	18	1,841,93	14,51	1,856,44	1776	163,01	123,74	1,451,93
"	25	1,844,90	21,94	1,866,84	1776	163,01	124,14	1,461,93

(a) The gold reserves of the Reserve Department are valued at the statutory rate of Rs. 21.24 per tola upto October 5, 1956 and at Rs. 62.50 per tola thereafter. (b) Including Government of India one rupee notes issued from July 1940

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 35

**RESERVE BANK OF INDIA : BANKING DEPARTMENT
STATEMENT OF LIABILITIES AND ASSETS (ANNUAL AND WEEKLY)**

LIABILITIES										ASSETS						
Central Government	Other Govern- ments	Deposits			Total	Other liabilities or assets	Total	Notes and advan- cements to Govern- ments (c)	Loans and advances held abroad	Other loans and advances	Bills pur- chased and dis- counted	Invest- ments	Other assets			
		1	2	3												
Averages of Friday																
Figures																
1950-51	148,60	17,71	62,22	62,29	290,82	28,14	318,97	17,31	207,70	2,37	6,77	3,05	76,72	5,06		
1951-52	60,11	19,85	18,31	15,04	45,59	19,73	197,64	17,21	66,96	1,73	36,99	9,78	49,36	15,61		
1952-53	57,52	14,10	52,46	10,21	245,02	18,91	64,77	4,89	85,34	5,69	51,82	13,60				
1953-54	54,61	11,28	81,00	11,13	258,71	149,36	407,63	23,30	30,47	32,90	77,91	4,81	21,92	14,32		
1954-55	57,62	20,80	87,55	18,73	284,57	156,77	441,44	19,41	25,57	28,23	65,83	6,18	28,49	11,73		
1955-56	55,50	23,24	97,61	123,48	281,83	168,18	450,01	19,94	28,97	25,33	88,92	15,54	25,90	12,22		
As at the close of last Friday																
1950-51	162,04	26,40	59,28	72,21	320,03	33,10	353,13	11,89	206,03	1,56	16,75	8,21	98,20	9,50		
1951-52	67,34	62,03	53,24	66,68	199,36	59,46	258,77	11,92	89,12	—	79,94	1,13	4,19	17,77		
1952-53	64,57	31,95	57,56	74,28	216,56	17,03	316,59	11,95	114,31	7,65	127,87	2,98	12,22	13,61		
1953-54	48,33	54,85	67,83	117,52	288,53	177,46	465,99	10,35	95,81	21,23	78,40	7,68	23,44	14,08		
1954-55	53,83	26,72	67,55	119,07	267,19	190,67	457,86	15,67	35,05	24,77	113,44	5,18	25,70	12,05		
1955-56	63,15	42,97	92,90	100,10	299,12	216,34	515,46	22,02	34,11	22,34	156,34	31,60	23,58	14,26		
1956-57 (Weekly)																
As at the close of																
1959	60	61	11,84	72,08	118,93	264,45	183,62	448,07	15,50	36,32	31,26	97,86	23,11	231,46	12,55	
April	3	60	49,59	7,50	91,53	18,29	266,91	177,83	444,74	14,31	35,93	33,99	89,96	34,26	211,51	23,68
"	10	49	62	24,71	77,91	117,96	270,21	179,50	450,17	13,59	32,86	38,17	79,45	27,40	246,07	12,63
"	17	53	63	32,97	91,60	117,94	296,14	175,37	471,50	28,21	30,68	43,95	73,44	7,96	275,51	12,66
May	1	53,28	22,44	81,70	118,06	277,85	173,76	451,24	27,63	25,21	39,39	73,97	5,10	264,98	12,96	
"	8	51,75	16,44	68,67	117,95	254,82	174,83	429,64	11,56	25,73	41,39	87,68	5,36	244,81	13,11	
"	15	52,97	9,73	70,79	253,72	181,55	435,29	20,02	24,61	43,53	74,79	14,35	244,83	13,16		
"	22	54,40	17,79	80,44	118,33	270,92	164,81	455,73	18,89	24,30	32,62	66,85	10,74	289,17	13,17	
"	29	71,74	15,96	71,85	119,25	280,80	160,80	461,60	23,91	21,00	34,10	61,15	10,30	285,70	13,44	
June	5	53,04	13,17	74,02	119,92	269,15	181,68	441,83	13,98	19,91	32,22	63,20	7,5	298,32	13,44	
"	12	52,56	9,93	72,67	119,49	254,66	182,92	437,58	15,92	31,53	59,77	1,36	297,55	13,45		
"	19	49,82	18,29	79,88	267,71	267,11	185,88	453,59	32,26	15,62	27,78	61,70	4,49	302,15	13,48	
"	26	50,47	16,60	99,35	183,41	286,38	191,32	478,78	38,53	16,55	23,43	64,81	1,13	322,39	13,89	

REPORT ON CURRENCY AND FINANCE, 1959-60

July	3	59.04	13.80	65.98	162.47	301.29	451.34	150.04	451.34	19.78	12.29	26.74	74.88	8.04	294.22	15.38	
"	10	51.69	14.05	71.4	161.38	304.27	144.39	448.66	19.73	13.56	20.97	11.06	289.01	14.86	11.06	14.86	
"	17	49.56	39.36	91.9	163.09	343.80	144.35	484.25	19.73	9.93	21.23	6.17	343.56	12.85	6.17	12.85	
"	24	64.62	27.90	89.5	160.91	343.37	143.10	486.48	24.81	12.24	22.11	65.78	2.32	347.27	11.94	2.32	
"	31	60.16	22.32	81.10	161.30	324.88	145.17	470.05	30.89	9.83	22.75	66.26	22	329.65	10.46	22	
August	7	53.37	13.20	76.60	161.05	304.22	148.34	452.56	11.39	13.44	27.40	70.07	9.5	319.31	10.00	9.5	
"	14	54.55	41.75	95.0	160.78	352.16	150.06	502.22	21.00	11.66	20.05	69.07	4.29	363.59	10.04	4.29	
"	21	58.11	61.89	78.9	177.47	376.42	157.72	533.74	23.73	15.55	17.98	83.52	5.14	378.85	8.97	5.14	
"	28	63.49	33.73	86.63	122.48	305.78	159.48	465.25	38.59	31.20	18.31	73.52	5.16	300.22	9.19	5.16	
September	4	65.36	23.82	70.19	121.80	281.19	149.83	434.02	21.23	16.58	21.23	16.58	5.39	283.11	9.28	5.39	
"	11	56.82	20.47	80.7	120.81	278.08	148.17	426.25	17.14	23.25	19.02	74.16	4.01	279.12	9.35	4.01	
"	18	64.34	19.97	85.18	120.82	290.31	149.78	400.09	20.95	16.74	20.03	80.58	4.58	287.55	9.38	4.58	
"	25	59.70	17.66	81.91	120.45	273.93	152.35	426.28	37.47	17.90	17.05	78.04	3.23	26.16	9.42	3.23	
October	2	60.06	9.86	81.65	119.62	271.19	151.58	412.77	30.20	15.98	19.31	83.11	4.68	259.77	9.72	4.68	
"	9	56.11	6.28	67.16	118.50	248.05	152.94	400.99	16.59	14.20	24.81	85.99	37.46	218.13	9.81	37.46	
"	16	53.01	29.93	81.90	118.69	282.62	153.84	438.46	16.71	22.17	18.24	80.78	43.84	246.72	9.90	43.84	
"	23	67.39	18.19	80.91	118.24	284.72	156.99	441.76	30.76	24.86	18.55	80.62	30.37	246.53	10.03	30.37	
"	30	55.01	30.26	73.44	118.62	277.33	156.10	433.43	10.82	23.19	20.25	92.47	23.57	240.64	10.48	23.57	
November	6	52.85	13.92	73.99	118.95	259.33	158.87	418.20	10.92	16.95	24.83	89.99	15.33	229.55	10.62	15.33	
"	13	50.44	18.85	86.55	119.66	275.50	164.14	439.64	19.76	39.88	25.83	81.18	19.02	243.29	10.69	19.02	
"	20	49.45	21.67	83.31	119.02	273.45	166.03	439.48	23.08	41.56	21.47	80.90	9.76	251.99	10.72	9.76	
"	27	49.46	27.21	81.43	119.02	277.13	164.85	441.98	41.13	22.95	21.95	81.18	8.64	248.48	10.99	8.64	
December	4	52.89	14.66	78.24	119.03	264.82	164.94	429.75	15.27	41.21	26.67	86.60	6.25	242.74	11.02	6.25	
"	11	60.06	9.34	68.54	118.12	266.05	165.14	424.20	8.41	42.18	27.86	90.95	16.53	227.15	11.12	16.53	
"	18	49.49	25.95	73.84	116.88	266.17	173.57	439.75	11.32	45.73	21.43	92.77	20.18	236.97	11.30	20.18	
"	25	58.87	24.65	81.82	116.35	271.89	168.77	441.66	11.07	50.13	19.24	92.36	20.32	236.83	11.71	20.32	
1960	January	1	55.56	20.76	106.58	115.76	298.65	171.20	469.85	8.07	49.62	19.94	112.53	41.34	225.77	12.56	41.34
"	8	64.37	12.54	68.25	122.43	267.58	165.66	433.25	13.00	48.35	24.55	102.89	48.12	183.46	12.88	48.12	
"	15	49.41	40.37	80.65	122.57	293.04	172.54	465.58	9.85	46.78	20.78	105.54	56.68	213.03	12.91	56.68	
"	22	52.20	24.76	78.75	123.75	278.71	175.27	453.98	20.75	40.42	22.12	104.94	36.74	212.83	12.95	36.74	
"	29	49.78	21.27	73.75	119.66	264.45	173.68	438.13	20.74	43.98	20.27	107.18	14.69	217.33	13.33	14.69	
February	5	49.25	25.74	66.23	119.36	260.64	173.64	434.29	18.39	44.34	21.75	121.04	12.80	202.40	13.38	12.80	
"	12	66.96	20.85	81.27	108.51	277.52	176.73	454.24	20.52	44.34	23.65	130.25	37.18	192.99	13.47	37.18	
"	19	50.75	26.47	75.53	108.52	261.33	180.05	441.39	18.14	39.84	24.63	121.23	21.28	202.80	13.47	21.28	
"	26	51.76	30.22	79.95	91.90	255.85	179.61	435.46	26.02	35.80	25.89	21.07	8.11	204.71	13.75	8.11	
March	4	50.37	34.27	81.92	94.49	261.05	174.28	435.33	21.49	33.73	27.77	126.52	4.79	207.17	13.86	4.79	
"	11	50.64	29.76	71.63	95.04	247.09	187.91	434.96	8.74	32.27	29.49	135.61	7.48	207.49	13.91	7.48	
"	18	52.62	60.45	85.84	97.27	296.19	202.29	498.48	14.59	31.96	20.64	155.12	27.58	234.51	14.08	27.58	
"	25	63.15	42.97	92.95	100.10	299.12	216.34	515.46	22.02	34.11	22.34	156.54	33.60	232.58	14.26	33.60	

(a) Including (i) paid-up capital of Rs 5 crores, (ii) reserve fund of Rs 80 crores upto June 28, 1957 and of Rs 80 crores from July 5, 1957, and (iii) including Rs 10 crores credited to the National Agricultural Credit (Long-term Operations) Fund from February 3, 1956, Rs 15 crores from July 6, 1956, Rs 20 crores from July 5, 1957, Rs 25 crores from July 4, 1958 and Rs 30 crores from July 3, 1959 and (iv) National Agricultural Credit (Stabilization) Fund of Rs 1 crore from July 6, 1956, Rs 3 crores from July 5, 1957, Rs 2 crores from July 4, 1958 and Rs 4 crores from July 3, 1959. (b) Including temporary overdrafts to State Governments from August 23, 1957. (c) Including cash and short-term securities (d) Including temporary overdrafts to State Governments from August 23, 1957.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 36

PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1959-60

LOANS	As on		Average (a) for					1959-60		Difference of March 1960 over March 1959	
	November 14, 1951	May 15, 1957	March 1959	June 1959	September 1959		December 1959	March 1960			
					Highest	Lowest					
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<i>Terminables</i>											
<i>Under 5 years</i>											
3% 1959-61 (b)	98.37	97.75	99.70	99.88	99.60	99.68	99.75	100.00	99.70	+0.75	
2½% 1960	95.69	96.50	99.00	99.24	99.60	99.68	99.75	99.75	99.00	-0.18	
4% 1960-70	106.62	100.75	100.80	100.75	100.70	100.65	100.62	100.80	100.50	+1.28	
2½% 1961	93.69	93.50	97.22	97.55	98.20	98.38	98.50	98.50	97.25	-0.05	
3½% 1961	99.50	100.10	100.17	100.22	100.22	100.05	100.25	100.00	99.50	+1.15	
2½% 1962	94.44	93.90	96.90	97.13	97.60	97.95	98.05	98.20	96.90	+1.50	
3½% 1962	97.80	99.15	99.22	99.61	99.78	99.65	99.80	99.15	99.50	+0.50	
3½% 1963	99.97	100.02	100.15	100.20	100.20	99.95	100.20	99.95	99.50	-0.02	
3½% 1963-65	95.69	94.10	96.75	96.85	97.79	98.18	97.91	98.25	96.65	+1.18	
3½% 1964	95.75	94.45	97.10	97.02	97.72	98.20	97.95	98.20	97.00	+0.65	
3½% 1964	98.25	99.80	99.93	100.21	100.22	99.91	100.30	99.70	99.70	+0.11	
<i>Between 5 and 10 years</i>											
3½% 1965	98.20	99.60	99.73	100.10	100.22	99.77	100.25	99.50	100.17	+0.17	
3½% 1966-68	93.94	92.05	93.85	94.15	95.65	96.03	95.84	96.10	93.70	+1.99	
3½% 1967	98.50	99.07	99.25	99.68	99.80	99.56	99.80	99.05	100.49	+0.49	
3½% 1967	.	100.80	100.82	100.83	100.85	100.85	100.85	100.85	100.80	+0.05	
3½% 1968	.	98.95	99.07	99.49	99.60	99.51	99.65	98.95	100.56	+0.56	
3½% 1968	100.60	100.60	100.65	100.65	100.65	100.65	100.65	100.60	100.60	+0.05	
3½% 1969(c)	.	99.26	99.40	99.20	99.40	98.85	99.40	98.85	98.85	+0.85	
<i>Between 10 and 15 years</i>											
3% 1970-75	92.81	87.20	91.00	91.52	92.55	93.17	92.03	93.20	91.05	+1.03	
4% 1972	.	101.59	101.70	101.65	101.60	101.41	101.70	101.30	101.20	-0.18	
4% 1973	.	101.55	101.62	101.55	101.51	101.34	101.70	101.20	101.20	-0.21	
3½% 1974	.	98.50	98.84	98.98	99.65	99.65	99.70	98.85	98.85	+0.82	
<i>Over 15 years</i>											
2½% 1976	89.00	83.15	83.25	83.25	83.25	83.25	83.36	83.40	83.25	+0.11	
4% 1979(c)	.	100.10	100.16	100.19	100.25	100.10	100.25	100.10	100.10	+0.11	
<i>Non-Terminables</i>											
3% Conversion Loan 1986 or later	92.50	74.15	74.09	73.73	74.31	73.43	73.61	74.90	73.00	-0.48	
3% Rupee Paper	92.50	73.00	72.75	73.11	73.41	73.99	73.51	74.25	72.75	+0.76	

Note.—The maturity classification is as of March 31, 1960 and on the assumption of the earlier date of redemption
(a) Average of closing quotations for working days (b) Redeemed on August 15, 1959. (c) Issued on July 1, 1959.

STATEMENT 37

ANNUAL AND MONTHLY YIELDS ON GOVERNMENT OF INDIA SECURITIES (ANNUAL AND MONTHLY)

(Per cent per annum)

LOANS	As on		Average for				Annual Average		Difference of March 1960 over March 1959
	New 14. 1951	May 15, 1957	March 1959	June 1959	Sept. 1959	Dec. 1959	March 1960		
<i>Terminable</i>									
Under 5 years									
3 % 1959 61(a)	3.24	4.05	3.73	3.31	3.47	3.30	3.50	3.96	-0.02
24 % 1960	(1.19)	(0.57)	(3.13)	(3.05)	(3.28)	(3.92)	(3.92)	(3.08)	-0.70
4 % 1960-70	3.33	3.94	3.45	3.38	3.47	3.11	2.75	3.38	(+0.12)
3.14	3.76	(3.93)	(3.52)	(3.92)	(3.71)	(3.50)	(3.53)	(3.59)	-0.12
3.21 % 1961	(3.52)	(4.20)	3.64	3.45	3.41	3.37	3.35	3.40	+0.01
2.41 % 1962	4.26	4.00	3.68	3.65	3.65	3.56	3.52	3.56	-0.14
4.36	3.73	3.52	3.52	3.40	3.34	3.41	3.43	3.63	-0.11
3.47 % 1963	3.51	3.51	3.49	3.46	3.44	3.52	3.47	3.57	+0.01
3.3 % 1963-65	3.46	4.11	3.84	3.87	3.65	3.57	3.69	3.89	(-0.15)
3.42	(3.40)	(3.91)	(3.59)	(3.61)	(3.66)	(3.53)	(3.44)	(3.47)	(-0.09)
3.4 % 1964	3.42	3.79	3.54	3.52	3.45	3.44	3.53	3.54	-0.01
<i>Between 5 and 10 years</i>									
3.76	3.57	3.55	3.48	3.46	3.46	3.55	3.51	3.64	-0.02
3.52	4.02	3.95	3.93	3.71	3.67	3.73	3.78	3.95	-0.22
3.48	(3.87)	(3.78)	(3.75)	(3.57)	(3.53)	(3.57)	(3.62)	(3.78)	(-0.21)
3.4 % 1967	3.68	3.63	3.61	3.63	3.63	3.62	3.62	3.70	-0.06
3.41 % 1967	3.64	3.63	3.62	3.57	3.56	3.57	3.58	3.63	-0.02
3.41 % 1968	3.63	3.67	3.67	3.66	3.66	3.66	3.66	3.66	-0.06
3.41 % 1968	3.67	3.67	3.59	3.58	3.58	3.60	3.59	3.59	-0.01
3.41 % 1969 (b)	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	-0.01
<i>Between 10 and 15 years</i>									
3.52	4.26	3.98	3.93	3.81	3.77	3.93	3.87	4.16	-0.05
3.44	(3.99)	(3.74)	(3.70)	(3.62)	(3.57)	(3.68)	(3.64)	(3.88)	(-0.06)
4 % 1972	4.52	4.86	4.85	4.84	4.84	4.86	4.86	4.93	+0.01
4 % 1973	4.52	4.86	4.85	4.84	4.84	4.86	4.86	4.93	+0.01
3.42 % 1974	3.87	3.85	3.85	3.84	3.84	3.78	3.78	3.85	-0.07
Over 15 years	3.41	4.01	4.10	4.11	4.13	4.14	4.15	4.13	+0.05
2.4 % 1976	3.41	4.01	4.10	4.11	4.13	4.14	4.15	4.08	+0.05
4 % 1976	3.41	4.01	4.10	4.11	4.13	4.14	4.15	4.09	+0.04
<i>Non-Terminable</i>									
3 % Conversion Loan 1986 or later (F)	3.37	4.04	4.05	4.07	4.03	4.08	4.07	4.05	4.13
3 % Repay Paper (F)	3.25	4.11	4.12	4.10	4.09	4.05	4.08	4.08	4.15
3 % Repay Paper (F)	3.25	4.11	4.12	4.10	4.09	4.05	4.08	4.08	4.15

Note—At Maturity Classification is as of March 31, 1960 and on the assumption of redemption yields are gross, i.e. not allowing for income tax and are based on prices quoted at Bomberg. In the case of two dated loans, the yields to the later date of redemption are shown in brackets (a) Redeemed on August 15, 1959 (b) Issued on July 1, 1959. (F) = Flat yield

ALL-INDIA AND REGIONAL INDICES (ANNUAL)

(Compiled by the Department of Statistics)

Government and Semi-Government Securities

Debentures

	All India 1	Bombay 2	Calcutta 3	Madras 4	All-India 5	Bombay 6	Calcutta 7	Madras 8
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Last week of
(Base, 1949-50 = 100)

1 1955-56	90.9	90.3	90.8	91.2	101.1	100.0	102.1	100.1
2 1956-57	90.0	89.3	89.9	90.2	98.9	99.0	98.6	99.5
3 1957-58	89.4	88.8	89.2	89.6	97.2	96.5	97.3	97.4

(Base: 1952-53 = 100)

4 1957-58	98.6	98.6	98.5	98.5	98.9	98.4	100.0	98.5
5 1958-59	100.7	100.7	100.6	100.7	101.5	102.2	102.3	99.0
6 1959-60	101.3	101.3	101.2	101.2	101.4	102.1	102.0	99.6

Week ended

7 April	100.7	100.7	100.7	100.7	101.6	102.4	102.3	99.0
8 "	100.7	100.7	100.7	100.7	101.7	102.5	102.4	99.0
9 "	100.7	100.7	100.7	100.7	101.8	102.5	102.6	99.0
10 "	100.7	100.7	100.7	100.6	101.8	102.5	102.6	99.0
11 May	100.7	100.7	100.7	100.6	101.8	102.5	102.6	99.0
12 "	100.7	100.7	100.7	100.6	101.9	102.5	102.7	99.0
13 "	100.7	100.6	100.6	100.6	101.9	102.5	102.7	99.0
14 "	100.7	100.7	100.6	100.6	101.8	102.5	102.6	99.0
15 "	100.7	100.7	100.7	100.6	101.8	102.5	102.5	99.0
16 June	100.7	100.7	100.7	100.6	101.8	102.5	102.5	99.0
17 "	100.8	100.8	100.7	100.7	101.8	102.5	102.6	99.0
18 "	100.8	100.9	100.8	100.7	101.8	102.5	102.5	99.0
19 "	100.9	100.9	100.8	100.8	101.7	102.5	102.4	99.0
20 July	100.9	100.9	100.8	100.9	101.7	102.4	102.3	99.0
21 "	101.0	101.0	100.9	100.9	101.8	102.6	102.3	99.0
22 "	101.1	101.1	101.0	101.0	101.9	102.8	102.5	99.0
23 "	101.1	101.2	101.1	101.1	102.0	102.9	102.6	99.0
24 August	101.2	101.2	101.1	101.1	102.0	102.9	102.6	99.0
25 "	101.2	101.2	101.1	101.1	102.1	103.0	102.6	99.0
26 "	101.2	101.2	101.1	101.1	102.1	103.1	102.6	99.0
27 "	101.2	101.2	101.1	101.1	102.1	103.1	102.7	99.0
28 "	101.3	101.3	101.2	101.2	102.1	103.1	102.7	99.0
29 September	101.3	101.3	101.4	101.3	102.1	103.1	102.7	99.0
30 "	101.4	101.4	101.3	101.3	102.1	103.1	102.7	99.2
31 "	101.4	101.5	101.3	101.3	102.1	103.1	102.6	99.2
32 "	101.5	101.6	101.4	101.4	102.2	103.3	102.6	99.2
33 October	101.6	101.7	101.5	101.5	102.2	103.3	102.6	99.2
34 "	101.7	101.8	101.6	101.6	102.1	103.2	102.6	99.2
35 "	101.7	101.8	(a)	101.7	102.1	103.0	(a)	99.2
36 "	101.7	101.7	101.6	101.7	102.1	103.0	102.6	99.1
37 "	101.7	101.7	101.6	101.7	102.1	103.0	102.6	99.1
38 November	101.7	101.7	101.6	101.7	102.0	102.8	102.6	99.0
39 "	101.6	101.7	101.6	101.6	101.9	102.8	102.6	99.0
40 "	101.6	101.6	101.5	101.6	101.9	102.6	102.6	99.0
41 "	101.6	101.6	101.6	101.6	101.9	102.6	102.6	99.0
42 December	101.6	101.6	101.6	101.5	101.7	102.1	102.7	99.0
43 "	101.6	101.6	101.6	101.4	101.7	102.2	102.7	99.0
44 "	101.5	101.5	101.4	101.5	101.8	102.3	102.7	99.0
45 "	101.5	101.5	101.4	101.5	101.8	102.3	102.7	99.0
46 January	101.5	(a)	101.4	(a)	101.8	(a)	102.7	(a)
47 "	101.5	101.6	101.5	101.5	101.7	102.2	102.7	99.0
48 "	101.5	101.5	101.4	101.5	101.8	102.2	102.7	99.5
49 "	101.5	101.5	101.4	101.5	101.7	102.2	102.5	99.5
50 "	101.5	101.5	101.5	101.4	101.7	102.2	102.5	99.6
51 February	101.5	101.5	101.5	101.5	101.7	102.2	102.5	99.6
52 "	101.5	101.5	101.4	101.4	101.7	102.2	102.5	99.6
53 "	101.4	101.5	101.5	101.4	101.7	102.2	102.5	99.6
54 "	101.4	101.4	101.4	101.3	101.3	102.2	102.5	99.6
55 March	101.4	101.4	101.3	101.3	101.6	102.1	102.4	99.6
56 "	101.3	101.3	101.3	101.2	101.3	102.1	102.0	99.6
57 "	101.3	101.3	101.3	101.2	101.3	102.1	102.0	99.6
58 "	101.3	101.3	101.2	101.2	101.4	102.1	102.0	99.6

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 38

AND WEEKLY) OF SECURITY PRICES
of the Reserve Bank of India)

Preference Shares				Variable Dividend Industrial Securities			
All-India 9	Bombay 10	Calcutta 11	Madras 12	All-India 13	Bombay 14	Calcutta 15	Madras 16
85 7	90 2	80 3	97 0	124 6	131 5	112 7	126 8
79 3	83 4	73 4	93 8	109 2	119 1	95 8	122 5
70 4	79 6	61 9	83 7	97 9	114 4	83 4	110 2
85 4	86 1	84 2	91 3	126 6	128 5	121 3	147 2
89 7	89 3	88 3	97 3	146 8	147 8	145 3	159 7
90 7	88 8	89 6	102 2	161 7	161 7	153 6	182 2
90 3	90 0	89 2	98 2	148 3	150 2	145 7	161 2
90 8	90 5	89 8	98 2	149 7	151 5	147 0	161 1
91 2	90 6	90 6	98 2	149 0	149 7	147 0	161 5
91 8	91 1	91 0	99 3	149 1	150 1	146 5	163 1
92 1	91 4	91 4	99 1	150 0	151 9	145 9	165 6
92 1	91 1	91 6	99 5	151 6	155 1	146 2	165 6
92 2	91 2	91 7	99 6	151 8	155 6	146 0	166 7
92 3	91 5	91 6	99 6	151 4	155 2	145 2	167 2
92 2	91 4	91 5	99 7	149 4	152 6	143 5	166 3
92 0	91 0	91 3	99 8	148 4	151 0	142 8	165 4
92 0	90 5	91 7	99 9	149 4	152 8	143 0	165 7
92 1	90 3	91 9	100 2	150 6	154 1	144 4	165 9
92 1	90 3	92 0	99 9	151 0	154 5	144 6	166 6
91 9	90 2	91 7	99 6	152 9	157 1	145 6	168 1
91 9	90 7	91 5	99 5	155 0	160 0	147 2	169 9
92 2	91 3	91 5	99 9	155 0	159 3	147 6	170 3
92 6	91 7	91 9	100 0	153 4	156 9	146 7	168 6
92 7	91 6	92 2	100 1	151 7	154 6	145 5	166 2
93 0	91 7	92 6	100 5	154 0	158 0	146 6	168 6
93 1	91 7	92 7	101 0	154 4	157 8	147 3	168 1
93 4	92 2	92 8	100 9	155 4	159 4	148 2	167 9
93 6	92 0	93 2	101 8	154 2	157 3	147 3	168 5
93 5	92 1	92 9	101 5	152 5	154 9	146 1	167 7
93 6	92 4	92 8	101 5	153 5	157 2	146 0	167 7
93 6	92 7	92 7	101 9	152 8	156 4	145 3	166 9
93 7	92 5	92 9	102 3	153 6	158 4	145 4	166 8
93 6	92 8	92 8	101 9	154 5	159 7	145 6	168 1
93 6	92 9	92 5	102 4	156 5	162 7	146 3	170 4
93 6	92 9	(a)	102 5	156 5	162 1	(a)	171 2
93 1	91 4	92 3	102 7	156 9	161 5	146 7	173 6
92 8	91 2	92 0	102 6	156 3	159 9	146 9	173 7
92 8	91 0	92 1	103 0	157 2	160 0	148 8	174 0
92 6	90 6	92 0	102 8	158 0	160 1	150 2	174 1
92 7	90 8	92 0	102 7	157 3	158 9	150 1	173 5
92 4	90 3	91 9	102 6	156 2	158 0	148 7	173 2
91 7	88 9	91 5	102 6	155 5	157 3	147 5	173 6
91 7	88 7	91 5	102 8	156 8	159 4	148 2	173 9
91 7	88 8	91 7	102 6	158 2	161 7	148 7	173 6
91 8	89 1	91 6	102 7	160 0	164 9	149 6	174 0
91 9	(a)	91 7	(a)	160 5	(a)	150 9	(a)
91 4	89 2	90 9	102 2	160 3	163 4	151 9	175 5
91 2	89 1	90 6	102 0	158 2	159 4	151 1	176 1
91 1	89 0	90 3	102 1	157 8	158 6	151 3	175 3
91 0	88 9	90 4	102 1	156 6	157 2	149 9	174 5
91 1	89 4	90 2	102 0	157 5	159 6	149 8	174 2
91 3	89 5	90 4	102 1	158 3	160 3	150 7	175 0
91 3	89 5	90 3	102 6	158 2	159 8	150 7	176 0
91 2	89 5	90 1	102 4	159 1	161 1	150 8	177 2
91 3	89 9	89 9	102 4	165 5	169 6	155 1	182 2
91 2	89 9	89 9	102 1	168 8	171 9	158 5	187 0
91 0	89 5	89 8	102 1	163 9	164 2	155 9	183 7
90 7	88 8	89 6	102 2	161 7	161 7	153 6	182 2

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

INDEX NUMBERS OF SECURITY PRICES—

(Compiled by the Department of Statistics)

Average of weeks	GROUP INDICES			SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES					SUB-GROUP INDICES		
	Government and semi-Government securities	Debentures	Preference shares (Fixed Dividend)	Dividend Variable Government of India	State-Governments	Municipal, Port Trust and Improvement Trust	Plantations	Coal	Sugar	Cotton Textiles	
	1	2	3	4	5	6	7	8	9	10	11
<i>(Base 1949-50 = 100)</i>											
1 1953-54	90.4	101.1	87.3	95.6	90.2	95.6	89.7	100	90	100	
2 1954-55	90.5	100.7	88.4	112.9	90.4	95.9	89.3	100	91	100	
3 1955-56	90.9	100.8	87.3	121.6	90.8	96.4	89.4	99	91	99	
4 1956-57	90.5	100.1	82.9	121.2	90.2	96.7	90.6	99	91	99	
5 1957-58	89.3	98.1	74.5	100.3	89.0	96.4	90.2	98	87	98	
<i>(Base 1952-53 = 100)</i>											
6 1957-58 (a)	98.3	99.6	88.0	125.4	98.1	100.1	99.1	100	100	98	99
7 1958-59	99.9	100.1	87.2	137.3	99.8	101.3	99.0	100	100	99	98
8 1959-60	101.2	101.8	92.2	155.3	101.1	102.6	99.9	100	99	99	99
9 April 1958	98.8	98.8	85.5	127.9	98.5	100.4	98.9	100	100	98	97
10 May "	98.9	99.0	85.3	127.2	98.7	100.6	98.8	100	100	99	98
11 June "	99.1	99.1	85.4	130.6	98.9	100.6	98.8	100	100	99	98
12 July "	99.2	99.2	85.9	136.7	99.0	100.6	98.8	100	100	99	98
13 August "	99.6	99.2	87.0	140.0	99.5	100.9	98.8	100	100	99	98
14 September "	100.4	100.1	88.0	143.4	100.3	101.3	98.8	100	100	99	98
15 October "	100.5	100.3	88.1	142.9	100.4	101.5	98.9	100	100	99	98
16 November "	100.4	100.4	88.2	142.0	100.3	101.6	99.0	100	100	99	98
17 December "	100.5	101.0	88.0	137.7	100.4	101.9	99.0	100	100	99	98
18 January 1959	100.6	101.2	87.7	137.5	100.5	102.1	99.3	100	100	99	99
19 February "	100.7	101.5	88.2	138.5	100.5	102.2	99.5	100	100	99	99
20 March "	100.7	101.5	89.3	144.6	100.5	102.3	99.7	100	100	99	99
21 April "	100.7	101.7	91.0	149.0	100.5	102.4	99.8	100	100	99	99
22 May "	100.7	101.8	92.2	150.8	100.5	102.4	99.8	100	100	99	99
23 June "	100.8	101.8	92.1	149.8	100.6	102.3	99.8	100	100	99	99
24 July "	101.0	101.8	92.1	154.1	100.9	102.4	99.8	100	100	99	99
25 August "	101.2	102.1	93.2	153.9	101.0	102.5	99.9	100	100	99	99
26 September "	101.4	102.1	93.6	153.1	101.3	102.6	99.9	100	100	99	100
27 October "	101.7	102.1	93.4	156.1	101.6	102.7	99.9	100	100	99	100
28 November "	101.6	101.9	92.6	157.2	101.5	102.8	99.9	100	100	99	100
29 December "	101.5	101.7	91.7	157.6	101.4	102.8	100.0	100	100	99	99
30 January 1960	101.5	101.7	91.3	158.7	101.4	102.8	100.0	100	100	98	99
31 February "	101.4	101.7	91.2	158.3	101.3	102.7	100.0	100	96	99	99
32 March "	101.3	101.5	91.0	165.0	101.2	102.7	100.0	100	96	99	99
33 Percentage Variation of March 1960 over March 1959	+0.6	—	+1.9	+14.1	+0.7	+0.4	+0.3	—	-4.0	—	—

(a) Average of 40 weeks.

REPORT ON CURRENCY AND FINANCE, 1959-60

ENT 39

ALL-INDIA (ANNUAL AND MONTHLY)

the Reserve Bank of India

F DEBENTURES

SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)

Jute	General	Elec-	Others	Planta-	Coal	Sugar	Cotton	Jute	Iron	Gene-	Basic	Ce-	Paper	Elec-	Trad-	Ship-	
extiles	Engin-	ectricity	Gen-	tions	Text-	Text-	Text-	and Steel	and	ral Indus-	Indus-	ment	Electricity	Genera-	ing	ping	
		eer-	era-		les	les	les	Steel	Steel	Engi-	trial	Chem-	Generation	and Supply	and other	Trans-	
12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
97	101	103	100	88	91	75	84	86	92				87	98		1	
99	101	102	101	94	90	80	83	88	91				87	96		2	
98	101	102	101	100	92	85	80	86	90				87	96		3	
98	101	101	101	101	84	83	82	78	86				81	90		4	
95	98	99	98	91	78	74	73	65	80				78	85		5	
95	98	97	101	103	79	93	87	74	88	105	84	98	90	85	77	85	6
92	99	97	103	97	77	89	79	76	91	100	86	99	85	87	79	86	7
93	102	97	105	101	81	93	82	87	94	103	91	104	88	88	97	94	8
93	97	97	101	99	75	90	80	68	90	97	83	98	84	86	73	82	9
93	98	97	101	97	74	90	79	68	89	99	83	98	84	86	73	84	10
93	98	97	101	97	76	89	79	69	89	99	84	96	85	87	74	86	11
93	98	97	101	95	75	89	80	72	90	99	85	96	84	87	75	85	12
91	98	97	101	96	75	88	80	73	91	99	85	100	84	88	79	85	13
92	98	97	103	97	76	89	80	75	93	100	86	97	85	88	80	85	14
92	99	97	103	97	75	90	79	79	91	101	89	98	86	88	80	85	15
92	101	97	103	98	79	89	79	80	91	102	88	100	86	87	81	85	16
92	101	97	104	97	80	89	78	81	91	101	87	100	85	86	82	85	17
92	102	97	104	97	80	89	78	81	91	100	85	95	84	85	82	85	18
92	102	97	105	97	81	90	78	81	92	100	87	99	86	85	83	91	19
92	102	97	105	99	81	91	78	81	93	101	87	101	87	86	89	91	20
93	102	97	105	100	81	92	79	84	95	101	87	102	89	99	92	92	21
94	102	97	105	101	81	92	81	87	95	102	90	105	90	89	96	95	22
94	102	97	105	101	81	92	80	88	93	103	90	105	90	89	96	95	23
94	102	97	105	100	81	93	80	88	94	101	90	106	89	89	96	95	24
94	102	97	105	101	83	93	82	90	95	104	91	105	88	90	96	94	25
93	102	98	105	103	84	95	84	89	96	104	92	104	88	90	99	96	26
93	102	98	105	101	83	94	83	88	96	104	93	105	89	88	99	96	27
93	102	97	105	101	82	93	83	87	94	104	93	104	90	88	99	96	28
93	101	97	105	100	79	93	83	86	91	104	93	105	89	87	99	96	29
93	102	97	105	100	79	92	83	85	92	104	92	104	85	86	97	95	30
93	102	97	105	100	78	93	83	84	92	104	91	103	85	86	96	89	31
93	101	97	105	100	76	94	82	82	92	104	91	100	85	86	96	91	32

+11 -10 — — +10 -6 2 +3 3 +5 1 +1 2 -1 1 +3 0 +4 6 -1 0 -2 3 — +7 9 — 33

INDEX NUMBERS OF SECURITY PRICES—

(Compiled by the Department of Statistics)

SUB-GROUP INDICES OF VARIABLE

	Tea Plantations	Coffee Plantations	Rubber Plantations	Coal	Other Mining	Sugar	Cotton Textiles	Jute Textiles	Silk and Woollen	Iron and Steel
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Average of weeks

29 30 31 32 33 34 35 36 37 38

(Base 1949-50 = 100)

1 1953-54		92(b)		78		85(c)	96(d)	82		107
2 1954-55		156(b)		82		101(c)	107(d)	93		140
3 1955-56		185(b)		81		105(c)	118(d)	95		154
4 1956-57		170(b)		78		105(c)	134(d)	70		147
5 1957-58		130(b)		67		95(c)	105(d)	52		119

(Base 1952-53 = 100)

6 1957-58 (a)		144	182	136	89	145	160	120	63	329	116
7 1958-59		145	203	151	107	161	164	114	80	417	145
8 1959-60		160	200	165	114	172	179	129	97	663	161
9 April 1958		139	192	142	97	149	158	115	64	372	128
10 May "		138	195	139	98	144	155	112	64	378	127
11 June "		141	199	141	99	150	158	113	68	404	129
12 July "		148	210	149	102	166	163	120	74	411	138
13 August "		150	223	154	109	171	167	120	78	413	145
14 September "		152	223	161	112	174	174	119	81	424	153
15 October "		149	216	160	114	171	173	116	85	433	155
16 November "		148	213	154	113	165	172	113	91	435	155
17 December "		143	198	149	109	159	165	109	89	417	149
18 January 1959		140	191	148	108	157	160	109	90	423	150
19 February "		144	183	154	111	156	158	108	89	437	152
20 March "		154	195	162	114	170	166	110	91	467	161
21 April "		154	196	162	120	181	171	115	98	511	165
22 May "		161	196	163	119	179	173	121	95	546	168
23 June "		161	194	160	116	171	169	119	95	584	167
24 July "		160	198	164	119	171	177	121	99	630	172
25 August "		158	197	161	116	170	177	124	99	646	164
26 September "		151	196	159	113	165	177	125	98	664	162
27 October "		149	200	161	112	166	184	132	99	705	162
28 November "		162	208	163	110	165	187	134	100	698	160
29 December "		166	210	167	105	170	185	135	95	725	157
30 January 1960		167	205	169	108	169	183	142	95	707	152
31 February "		166	200	169	111	172	179	140	93	718	150
32 March "		170	206	180	117	180	183	145	96	839	154

33 Percentage Variation of March 1960 over March 1959	+10.4	+5.6	+11.1	+2.6	+5.9	+10.2	+31.8	+5.5	+79.7	-4.3
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(a) Average of 40 weeks (b) Including Coffee and Rubber Plantations (c) Including Breweries.

(d) Including Woollen and Silk Textiles

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 39—(Contd.)

ALL-INDIA (ANNUAL AND MONTHLY)

of the Reserve Bank of India)

DIVIDEND INDUSTRIAL SECURITIES

Transport Equipment	Electrical Machinery	Machinery other than Transport and Electrical	Basic Industrial Chemicals	Cement	Paper	Electricity Generation and Supply	Trading	Shipping and other Transport	Construction	Banks	Insurance	Investment Trust
39	40	41	42	43	44	45	46	47	48	49	50	51
			99	116	159	116		94		86	97	75
			132	141	211	123		108		87	108	90
			144	164	256	123		106		88	103	93
			144	176	266	112		118		94	87	90
			131	141	211	103		117		96	85	73
175	163	148	109	125	160	89	79	123	198	169	108	84
198	143	166	123	129	185	93	88	134	235	199	127	91
288	133	198	167	136	209	90	105	125	301	192	137	99
185	130	153	107	124	160	91	79	123	205	184	124	82
184	133	152	108	124	166	90	80	122	208	182	125	78
193	135	155	113	129	182	90	83	126	214	188	127	75
205	144	157	125	139	182	91	88	133	220	194	127	77
202	147	162	126	143	194	93	90	139	220	197	127	84
203	149	170	128	140	197	93	91	143	242	208	130	93
204	157	172	129	131	197	95	89	142	246	210	126	93
202	160	175	128	125	194	96	90	142	257	206	129	95
186	143	172	125	119	185	95	88	139	255	201	129	101
190	139	171	126	121	181	93	88	136	250	205	127	104
200	136	172	127	123	183	93	90	136	249	207	127	104
219	140	185	131	130	196	94	96	132	259	208	129	103
236	137	199	141	135	207	93	99	130	272	203	129	103
236	130	200	151	135	200	92	97	132	297	196	128	102
235	128	195	151	136	197	91	99	129	289	192	130	98
255	134	198	156	140	204	93	104	131	313	190	135	99
274	134	193	157	138	207	94	101	129	311	190	140	99
282	135	190	160	136	212	92	104	124	304	187	143	100
294	141	195	171	136	214	90	105	124	318	186	140	100
299	137	197	180	135	223	89	105	123	308	185	143	99
328	130	201	183	132	213	87	109	122	307	186	138	97
329	127	203	181	135	209	87	111	121	298	194	139	99
337	125	203	182	135	207	87	110	117	294	195	136	98
352	132	209	191	142	215	85	114	114	296	198	138	98

+60 7 -5 7 +13 0 +55 8 +9 2 +9 7 -9 6 +18 8 -13 6 +14 3 -4 8 +7 0 -4 9

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Statistics)

ALL

Variable Dividend

Average of months/ month	Deben- tures (Total)	Prefe- rence (Total)	Total	Agriculture and Allied Activities				Mining and Quarrying			
				Total (a)	Tea Planta- tions	Coffee Planta- tions	Rubber Planta- tions	Total	Coal	Other Mining	
	1	2	3	4	5	6	7	8	9	10	
Old Series(d)											
1 1955-56		3 82	5 29	5 01					5 24		
2 1956-57		3 96	5 43	5 68					6 28		
3 1957-58		4 11	5 99	6 88					7 33		
4 1958-59		4 18	5 92	6 27					6 27		
5 1959-60		4 09	5 68	5 37					5 30		
6 April 1959		4 04	5 66	5 62					5 58		
7 May "		4 03	5 58	5 56					5 57		
8 June "		4 07	5 56	5 62					5 72		
9 July "		4 05	5 57	5 51					5 57		
10 August "		4 05	5 54	5 44					5 58		
11 September "		4 05	5 57	5 45					5 39		
12 October "		4 07	5 63	5 35					5 22		
13 November "		4 10	5 73	5 30					4 97		
14 December "		4 12	5 75	5 21					5 15		
15 January 1960		4 12	5 75	5 12					5 08		
16 February "		4 17	5 98	5 19					5 02		
17 March "		4 19	5 89	5 07					4 82		
Revised Series(e)											
18 1959-60(f)		3 95	5 44	5 27	6 09	6 17	6 06	7 60	6 19	5 82	6 44
19 July 1959		3 96	5 48	5 40	6 16	6 21	6 42	8 04	6 30	5 89	6 59
20 August "		3 92	5 43	5 37	6 23	6 26	6 51	8 18	6 23	5 90	6 46
21 September "		3 91	5 40	5 41	6 36	6 45	6 55	7 95	6 28	6 02	6 45
22 October "		3 91	5 44	5 31	6 45	6 63	6 41	7 59	6 19	5 83	6 43
23 November "		3 95	5 47	5 21	6 04	6 15	5 86	7 40	6 12	5 66	6 44
24 December "		3 96	5 43	5 22	5 93	6 06	5 42	7 45	6 23	5 94	6 43
25 January 1960		3 97	5 46	5.22	5 98	6 04	5 79	7 49	6 28	5 92	6 53
26 February "		3 98	5 44	5 23	5 96	6 01	5 90	7 37	6 15	5 74	6 43
27 March "		4 01	5.41	5 07	5 67	5 74	5 67	6 90	5 93	5 51	6 22

[For foot notes please see end of the statement.]

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 40

AND REGIONAL—BY GROUPS AND SUB-GROUPS

of the Reserve Bank of India)

INDIA

(Per cent per annum)

Industrial Securities

Processing and Manufacturing

Total	Foodstuffs, Textiles etc.					Total (a)	Metals and Chemicals					
	Total (a)(b)	Sugar (g)	Cotton Textiles (h)	Jute Textiles	Silk and Woollen		Iron and Steel (c)	Trans- port Equip- ment	Electri- cal Machin- ery	Machi- nery other than Trans- port and Electri- cal	Basic Indus- trial Chemicals	
11	12	13	14	15	16	17	18	19	20	21	22	
5 13	5 26	4 08				3 21					5 38	1
5 79	5 25	4 55				3 40					5 90	2
6 28	7 22	5 47				4 98					6 57	3
5 89	6 45	5 69				4 31					6 76	4
4 87	4 54	5 02				3 70					5 11	5
5 78	5 53	5 21				3 79					5 71	6
5 50	5 04	5 27				3 72					5 28	7
5 44	4 97	5 31				3 74					5 26	8
5 09	4 74	5 26				3 58					5 21	9
5 05	4 51	5 23				3 54					5 21	10
5 09	4 48	4 96				3 59					5 12	11
4 90	4 32	4 65				3 58					5 05	12
4 65	4 33	4 55				3 64					5 09	13
4 39	4 29	4 65				3 69					5 04	14
4 39	4 10	4 49				3 86					4 86	15
4 35	4 12	5 36				3 87					4 79	16
3 83	3 99	5 26				3 77					4 74	17
4 70	4 69	6 63	3 97	5 60	3 98	4 19	3 09	3 48	5 09	4 55	4 14	18
4 86	4 97	7 20	4 36	5 57	4 22	4 25	3 91	3 31	5 05	4 58	4 75	19
4 82	4 93	7 19	4 27	5 68	4 24	4 15	3 76	3 16	5 06	4 61	4 41	20
4 84	4 91	7 15	4 24	5 52	4 27	4 20	3 77	3 18	5 00	4 74	4 50	21
4 68	4 70	6 84	3 99	5 27	3 94	4 10	3 74	3 14	4 80	4 60	4 17	22
4 62	4 58	6 40	3 93	5 13	3 93	4 14	3 85	3 05	4 92	4 62	3 89	23
4 65	4 58	6 22	3 88	5 50	3 91	4 18	3 86	3 80	5 20	4 55	3 93	24
4 67	4 55	6 27	3 73	5 69	4 05	4 27	4 05	3 83	5 30	4 48	3 97	25
4 70	4 61	6 40	3 73	6 13	3 92	4 26	4 05	3 97	5 41	4 42	3 91	26
4 51	4 38	6 04	3 59	5 93	3 34	4 16	3 97	3 87	5 09	4 37	3 72	27

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Compiled by the Department of Statistics

ALL

Average of months/ month		Variable Dividend								
		Processing and Manufacturing (Contd.)			Other Industries					
		Others		Total (a)	Electricity Generation and Supply	Trading	Shipping and other Transport	Construction		
		Total (a)	Cement	Paper						
		23	24	25	26	27	28	29	30	
Old Series(d)										
1	1955-56	.		4.51	4.75	5.75		4.52		
2	1956-57	.		4.56	6.05	6.16		5.12		
3	1957-58	.		5.76	7.62	7.02		6.26		
4	1958-59	.		5.91	6.67	6.71		4.98		
5	1959-60	.		5.77	5.92	6.79		4.74		
6	April 1959	.		6.17	5.98	6.64		4.56		
7	May	"		5.98	6.26	6.71		4.60		
8	June	"		5.97	6.14	6.75		4.87		
9	July	"		5.79	6.10	6.67		4.87		
10	August	"		6.01	6.03	6.64		4.92		
11	September	"		6.16	5.99	6.83		5.04		
12	October	"		5.73	5.85	6.89		4.99		
13	November	"		5.58	5.34	7.03		4.98		
14	December	"		5.36	5.80	6.83		4.58		
15	January 1960	.		5.42	5.83	6.86		4.40		
16	February	"		5.48	5.91	6.77		4.44		
17	March	"		5.59	5.79	6.91		4.68		
Revised Series(e)										
18	1959-60(f)		5.68	6.07	5.01	6.49	6.88	8.58	5.22	4.12
19	July 1959		5.65	5.93	5.03	6.46	6.81	8.36	5.46	3.90
20	August	"	5.72	6.08	4.93	6.49	6.75	8.65	5.56	3.94
21	September	"	5.79	6.25	4.79	6.66	6.94	8.53	5.82	4.09
22	October	"	5.67	6.13	4.76	6.66	7.02	8.55	5.47	4.10
23	November	"	5.60	6.06	4.77	6.49	7.00	8.38	4.98	4.06
24	December	"	5.71	6.05	5.13	6.39	6.85	8.31	4.83	4.10
25	January 1960		5.74	6.09	5.28	6.43	6.92	8.52	4.83	4.13
26	February	"	5.75	6.10	5.31	6.40	6.75	9.01	4.91	4.16
27	March	"	5.53	5.95	5.07	6.46	6.90	8.91	5.13	4.64

Note.—Tax-free yields of taxable securities are calculated, deducting income-tax at maximum rate and surcharge
 (a) Including Miscellaneous (b) Including Edible and Vegetable Oils (c) Estimated from July 1956 to June 1957

(d) For details please see March 1956 issue of Reserve Bank of India Bulletin

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 40—(Contd.)

AND REGIONAL—BY GROUPS AND SUB-GROUPS

of the Reserve Bank of India)

INDIA—*Contd.*

(Per cent per annum)

Industrial Securities— <i>Contd.</i>				REGIONAL				
				Variable Dividend Industrial Securities				
Total	Banks	Insurance	Investments	Bombay	Calcutta	Madras	Delhi	
31	32	33	34	35	36	37	38	
5 70	4 71	6 01	4 55	4 98	6 86	4 63	1	
5 77	6 60	6 53	5 05	5 82	6 54	6 14	2	
6 44	7 27	7 37	6 36	6 95	7 41	7 11	3	
6 22	6 75	5 95	5 93	6 22	6 79	7 13	4	
6 01	7 17	6 03	5 32	5 25	5 99	6 36	5	
6 03	6 41	5 84	5 64	5 43	6 08	6 51	6	
6 15	6 78	6 00	5 50	5 46	6 03	6 54	7	
6 26	7 35	6 14	5 60	5 50	6 11	6 58	8	
6 26	7 17	6 05	5 45	5 42	6 11	6 54	9	
6 05	7 25	5 96	5 28	5 38	6 10	6 45	10	
6 03	7 26	5 96	5 35	5 37	6 08	6 20	11	
6 07	7 15	5 96	5 25	5 29	5 99	6 26	12	
6 11	7 11	5 96	5 34	5 18	5 86	6 36	13	
6 11	7 32	6 00	5 24	5 10	5 82	6 35	14	
5 84	7 34	5 89	5 14	4 97	5 73	6 19	15	
5 72	7 50	6 16	5 09	5 01	6 09	6 26	16	
5 52	7 36	6 40	4 99	4 90	5 83	6 09	17	
6 64	6 46	7 53	6 28	4 95	5 38	6 00	5 55	18
6 96	6 79	7 59	7 01	5 11	5 45	6 29	6 01	19
6 79	6 59	7 47	6 93	5 06	5 41	6 31	5 67	20
6 67	6 47	7 32	6 95	5 12	5 43	6 34	5 50	21
6 73	6 53	7 42	6 93	4 98	5 40	6 14	5 52	22
6 77	6 71	7 30	6 21	4 95	5 32	5 87	5 56	23
6 70	6 63	7 53	5 54	4 88	5 38	5 85	5 56	24
6 44	6 24	7 64	5 51	4 89	5 37	5 81	5 41	25
6 43	6 18	7 75	5 72	4 86	5 41	5 80	5 43	26
6 29	5 99	7 76	5 69	4 74	5 23	5 59	5 29	27

(e) For details please see March 1960 issue of Reserve Bank of India Bulletin. (f) Average of 9 months from July 1959 to March 1960. (g) Including Breweries in respect of old series. (h) Including Woollen and Silk in respect of old series.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 41

PRICES OF REPRESENTATIVE INDUSTRIAL SHARES, 1959-60

(Rupees)

SCRIPTS	End of												1959-60				Percentage variations of			
	Sept 1953		Nov 1955		Dec 1957		Dec 1958		March 1959		June 1959		Sept 1959		Dec 1959		March 1960		Highest	Lowest
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	5	6	7	8		
Steels:																				
Tata Ordinary	314.75	270.75	212.75	160.50	173.00	184.50	162.00	159.50	147.00	202.50	144.00	144.00	6.1	-11.2						
Indian Iron	23.16	43.25	36.81	18.70	24.72	24.37	24.63	23.55	23.22	22.48	25.56	21.55	+ 7.1	- 7.8						
Bombay Dyeing	356.25	617.50	667.50	498.50(a)	55.40	60.30	65.90	67.60	71.30	67.70	72.70	59.50	+ 22.2	+ 12.3						
Kohinoor	276.50	317.50	379.00	233.50	255.00	292.50	306.00	337.00	319.50	342.00	245.50	+ 96.9	+ 25.3							
Century	256.50	495.00	584.50	382.00	416.50	482.00	562.50	578.50	456.00	446.50	638.00	425.00	+ 89.9	+ 37.5						
Birmingham	122.00	181.50	205.00	155.00	174.00	173.50	185.00	186.50	200.00	208.00	173.50	+ 14.9	+ 15.5							
Madura	39.50	52.25	52.25	33.75	28.55	25.50	27.85	28.95	30.50	33.62	36.25	25.40	+ 17.8	+ 31.8						
Banks:																				
India	155.56	160.00	172.00	132.25	137.00	136.00	129.75	112.50	111.25	102.00	136.25	100.00	- 25.5	- 25.0						
Central	63.75	53.00	53.00	52.30	58.50	59.50	52.00	49.25	48.75	47.00	57.20	47.00	- 19.7	- 21.0						
Jute:																				
Anglo-India	200.00	228.00	185.00	146.50	202.00	235.00	251.00	242.00	211.00	215.00	270.00	210.00	+ 6.4	- 8.5						
Howrah	22.00	30.12	24.25	13.44	18.44	24.50	24.81	22.73	24.62	23.00	25.50	22.56	+ 21.7	- 26.2						
National	23.56	34.31	26.37	22.10	25.25	24.00	23.50	24.00	27.00	30.75	33.50	21.50	+ 21.8	+ 23.1						
Coal:																				
Bengal	507.00	548.00	542.00	228.00	261.00	302.00	303.00	298.00	296.00	330.00	344.00	289.00	+ 26.4	+ 9.3						
Central India	4.87	8.75	4.44	5.94	6.94	8.37	7.87	8.00	7.87	10.16	10.30	7.31	+ 36.4	+ 21.4						
Tea:																				
Hasnara	27.50	41.62	34.87	21.12	20.25	23.00	20.12	23.25	24.19	25.75	19.94	+ 19.5	+ 1.2							
Hantapara	171.00	330.00	197.00	113.00	169.00	127.00	120.00	110.00	168.00	155.00	175.00	106.00	+ 42.2	+ 22.0						
Perakaramala	6.75	9.19	11.25	4.05	3.85	4.30	4.08	3.93	3.85	3.80	4.33	3.63	- 1.3	- 11.6						
Miscellaneous:																				
Belapur Sugar	242.00	372.00	254.50	232.00	295.50	291.50	308.50	327.00	335.00	326.50	360.00	286.00	+ 10.5	+ 12.0						
Cochin Malabar	6.37	8.87	1.12	4.75	5.46	6.23	6.73	6.45	7.20	7.7	6.35	6.05	+ 40.5	+ 23.1						
Consolidated Coffee	18.00	24.25	23.75	28.00	24.65	21.35	21.83	22.50	21.50	22.00	26.00	21.10	- 7.1	+ 7.3						
A.C.C.	170.00	227.25	203.25	151.00	150.50	148.00	151.00	152.00	151.50	139.75	159.50	137.50	- 7.0	- 7.0						
F.A.C.T.	3.00	7.56	2.25	3.90	8.25	8.35	9.10	9.15	10.20	10.90	11.20	8.38	+ 51.4	+ 20.5						
Sindia Steam	11.66	18.03	16.62	17.08	21.04	18.40	17.92	17.32	14.40	18.96	13.92	- 31.7	- 21.7							
National Rayon	112.25	241.00	265.00	211.25	233.25	288.75	334.50	364.50	378.00	459.00	475.50	280.25	+ 101.1	+ 62.7						
Textmico	6.12	20.44	24.19	15.60	20.30	23.45	25.65	23.70	26.65	25.65	23.30	+ 26.4	+ 9.1							

xt = Ex-right (a) = Split Share

Source Stock Exchanges

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 42
CONSENTS FOR CAPITAL ISSUES, 1956-59

(Amount in Crores of Rupees)

Classification	Applications (a)			Consents			Further			
	Number	Total Amount	Number	Initial(b)			Debentures Number	Amount	Miscellaneous (loans etc.) (c)	Bonus Number
				A, Government Companies	Others(b)	Number				
A, Government Companies										
Industrial	13	47.21	13	47.21	2	27.00	8	19.35	—	3
Non-Industrial	9	6.68	9	6.68	2	1.20	6	4.40	—	1
Of which										0.85 1.08
(i) Agriculture and Allied Activities	1	0.10	1	0.10	2	1.20	1	0.10	—	—
(ii) Financial	2	1.20	2	1.20	—	—	—	—	—	—
(iii) Trade and Transport	4	4.73	4	4.73	—	—	3	3.70	—	—
(iv) Miscellaneous	2	0.60	2	0.60	—	—	2	0.60	—	—
Total for 1959	22	53.88	22	53.88	4	28.20	14	23.23	—	4
Total for 1958	23	33.52	23	33.52	5	2.30	12	32.14	2	17
Total for 1957	12	17.95	4	7.00	5	6.35	—	—	4	7.91
Total for 1956	16	59.40	8	52.45	6	5.86	2	1.15	—	4.60
B Non-Government Companies										
Industrial	194	129.59	182	127.00	44	48.35	80	46.97	13	19.64
Non-Industrial	70	23.01	60	22.59	3	0.75	23	6.31	—	10
Of which									24	10
(i) Agriculture and Allied Activities	17	1.31	16	1.30	1	0.13	3	0.31	—	5
(ii) Financial	20	6.91	14	6.54	—	—	13	3.54	—	1
(iii) Trade and Transport	25	13.74	25	13.74	—	6	2.40	—	—	17
(iv) Miscellaneous	8	1.05	5	1.01	2	0.62	1	0.66	—	1
Total for 1959	264	152.60	242	149.58	47	49.69	193	53.27	13	9.90
Total for 1958	281	92.73(c)	259	89.45	33	18.50	120	31.46	21	16.30
Total for 1957	48.42(d)	182.73(c)	333	135.37	50	36.32	123	31.99	22	13.32
Total for 1956	362(d)	254.49(c)	281	170.75	61	27.84	107	70.87	10	10.25
									31	53.28

(a) Figures relate only to applications disposed of and not to applications received (b) Include ordinary and preference shares.
 (c) Loans raised by companies by creating a charge or lien on the assets of their property (d) Including figures in respect of Government Companies

Source Office of the Controller of Capital Issues.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

CAPITAL RAISED BY NON-GOVERNMENT

Type of Issue	1957 (Further Revised)				
	Capital Paid-up during the year against consents		Capital Raised under Exemption Order		Total Capital Raised (i.e. Paid-up)
	Public	Private	Public	Private	5
	(Capital Raised by				
Initial (a)					
Ordinary	7.01	2.60	0.07	1.08	10.76
Preference	0.87	0.28	—	0.13	1.29
Further (b)					
Ordinary	30.41	2.70	1.98	5.98	41.07
Preference	4.58	0.28	0.12	0.14	5.11
Debentures	9.26	0.54	0.02	—	9.81
	52.14	6.40	2.19	7.32	68.05
Bonus	5.55	0.77	—	—	6.32
Miscellaneous (e.g. loans)	38.46	1.78	—	—	40.25
Total	96.15	8.95	2.19	7.32	114.61
Initial (a)					
Ordinary	0.02	12.34	0.02	0.10	12.48
Preference	—	—	—	—	—
Further (b)					
Ordinary	—	61.09	0.05	0.03	61.16
Preference	—	—	—	—	—
Debentures	0.06	—	—	—	0.06
	0.08	73.43	0.07	0.12	73.70
Bonus	—	—	—	—	—
Miscellaneous (e.g. loans)	1.02	—	—	—	1.02
Total	1.09	73.43	0.07	0.12	74.72

Note.—The data in columns 1 & 2, 6 & 7, and 11 & 12 relate to the capital raised in 1957, 1958 and 1959 respectively against consents granted during that year as well as earlier years. Data are consolidated by the Controller of Capital Issues based on the reports received from the companies/registrars of companies upto April 15, 1960. These do not take into account the capital raised by companies for which no reports were received. Figures given in columns 3 & 4, 8 & 9 and 13 & 14 are based on the returns received from the registrars of companies.

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 43

AND GOVERNMENT COMPANIES

(Crores of Rupees)

1958 (Revised)					1959 (Preliminary)				
Capital Paid-up during the year against consents		Capital Raised under Exem- ption Order		Total Capital Raised (i.e. Paid-up)	Capital Paid-up during the year against consents		Capital Raised under Exem- ption Order		Total Capital Raised (i.e. Paid-up)
Public	Private	Public	Private	10	Public	Private	Public	Private	15
6	7	8	9	10	11	12	13	14	15
Non-Government Companies)									
5 57	5 44	0 20	1 85	13 07	8 03	14 12	0 18	2 18	24 51
0 80	0.05	—	0 03	0 88	0 50	—	—	0 03	0 53
13 77	3 73	1 42	4 59	23 51	17 53	2 59	1 77	6 38	28 27
4 44	0 49	0.17	0 14	5 24	2 98	0 04	0 15	0 09	3 25
12.39	0 11	—	—	12 50	8 29	0 35	—	—	8 64
36 97	9 82	1 79	6 61	55 20	37 31	17 10	2 11	8 69	65 21
11 11	0 30	—	—	11 42	4 00	0 09	—	—	4 10
20 55	0 22	—	..	20 78	11 96	0 24			12 20
68 64	10 35	1 79	6 61	87 39	53 27	17 44	2 11	8 69	81 50
Government Companies)									
—	14 48	0 01	0 09	14 58	—	13 73	—	0 05	13 78
—	—	—	—	—	—	0 02	—	—	0 02
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1 34	216 17	0 08	0 09	217 67	5 84	85 12	—	0 10	91 06
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	2 34	—	—	—	2 34
1 34	216 17	0 08	0 09	217 67	8 18	85 12	—	0 10	93 40

(a) Issues of new companies. (b) Issues of existing companies

Source --Office of the Controller of Capital Issues

STATEMENT 44

LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(Lakhs of Rupees)

	Liabilities				Assets								
	1950-51	1955-56	As on last Friday of 1956-57	1957-58	1959-60	1950-51	1955-56	As on last Friday of 1956-57	1957-58	1958-59	1959-60		
1 Capital Issued and Paid-up	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00	5,00 00		
2 Reserve Fund						1 Cash in hand and with Bankers	47 28	1 70	9 37	5,99 24	71 84	3 90	
(i) Special Reserve Fund under Scc. 32A(1) of the IFC Act	—	13 68	18 24	22 80	27 36	31 93	2 Investments in Government Securities	4,53 33	—	—	—	—	
(ii) Other Reserves	1 00	5 50	5 50	6 50 ^(a)	18 00	32 12	3 Loans and Advances	5,20 79	14,01 20	20,69 68	26,19 62	32,09 87	
3 Reserve for Doubtful Debts	—	20 00	42 50	15 18	15 14	4 Debentures	—	—	—	65 85	—		
4 Provision for Taxation	—	9 53	19 71	15 73	23 63	5 Other Assets	41 39	67 32	96 08	1,79 96	1,56 70	4,30 42	
5 Bonds and Debentures	5,30 00	7,80 50	7,80 50	12,36 97	16,25 28	22,24 15							
6 Borrowings from the Reserve Bank of India ^(b)	—	61 25	1,06 50	—	93 75	88 00							
7 Borrowings from Govern- ment ^(c)	—	—	6,00 00	15,00 00	10,00 00	8,25 00							
8 Other Liabilities	36 79	79 75	1,02 17	1,01 63	1,51 10	3,53 41							
Total	10,67 79	14,70 21	21,75 13	33,98 82	35,04 27	41,97 49	Total	10,67 79	14,70 21	21,75 13	33,98 82	35,04 27	41,07 49

Note.—The accounting year of the Corporation is from July 1 to June 30, however, the figures given here are as on the last Friday of March.

(a) Includes Rs 1 lakh in respect of Reserve for Contingencies. (b) Under Section 21 (3)(b) of the Industrial Finance Corporation Act, 1948 (as amended).

(c) Under Section 21 (4) of the Industrial Finance Corporation Act, 1948 (as amended).

Source: Industrial Finance Corporation of India.

STATEMENT 45

OPERATIONS OF STATE FINANCIAL CORPORATIONS

(Lakhs of Rupees)

REPORT ON CURRENCY AND FINANCE, 1959-60

Corpora- tion	Cap- ital as at the end of March 1953- 1954 to 1955- 1956 1960	Loans sanctioned(e) during						Loans disbursed during						Loans outstanding as at the end of March						Assets as at the end of March 1960
		1953-	1956-	1957-	1958-	1959-	1953-	1956-	1957-	1958-	1959-	1956-	1957-	1958-	1959-	1960	Other Total loans			
		54	57	58	59	60	54	57	58	59	60	58	59	59	60	60				
1 Madras	1,32	1,37	49	69	1,18	66	74	77	67	81	90	1,27	1,96	2,34	2,96	3,65	1,98	5,63		
2 Punjab	1,00	90	26	31	73	67	43	22	27	26	52	39	57	75	90	1,31	97	2,28		
3, Bombay Saurashtra	2,00	1,48 43]	72	53	62	90	63 24]	73	38	22	21	60 24]	1,47	1,71	1,50	1,40	1,86	1,26		
4 Kerala	1,00	80	34	8	45	21	62	25	11	35	17	62	84	89	1,03	1,25	8	1,34		
5 West Bengal	1,00	43	72	58	36	53	23	20	42	41	50	23	35	75	1,12	1,44	73	2,17		
6 Assam	1,00	57	15	36	46	52	26	16	25	29	40	26	39	54	74	1,08	95	2,03		
7 Uttar Pradesh	1,00	21	46	46	24	57	4	15	37	21	22	4	18	54	68	80	89	1,69		
8 Bihar	1,00	11	48	50	31	50	4	20	42	29	50	4	24	65	89	1,32	79	2,11		
9 Rajasthan	1,00	7	23	31	15	21	2	7	26	11	12	2	9	35	43	49	65	1,14		
10 Madhya Pradesh	1,00	5	13	53	19	32	—	5	35	7	12	—	5	41	43	49	56	1,05		
11 Andhra Pradesh Hyderabad	1,50 47]	45	36	16	41	26	7	18	26	13	23]	7	30	47	62	68	1,07	1,75		
12 Orissa	50	—	—	6	14	13	—	—	1	5	7	—	—	1	6	13	42	55		
13 Mysore	1,00												13			13	89	1,02		
Total	14,32	6,90	4,43	4,78	4,99	5,91	3,53	2,87	3,69	3,33	3,99	4,03	6,45	9,40	11,36	14,17	11,84	26,02		

(e) Includes, in respect of some Corporations, loans subsequently declined by Industrial concerns or cancelled or reduced by the corporation

Source State Financial Corporations.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 46

ASSAYING AND REFINING OF GOLD AND SILVER AT THE INDIA GOVERNMENT MINTS

(Thousands of Tolas)

	Melting and Assaying at			Refining (a) at Bombay
	Bombay	Alipore	Total	
GOLD				
1950-51	14	2,45(b)	2,59	18.64
1955-56	10	10	20	10.42
1956-57	5	6	11	10.77
1957-58	11	1	12	9.63
1958-59	6	2	8	13.53
1959-60	8	1	8	8.35
SILVER				
1950-51	1,27	96.29(b)	97.56	16.50
1955-56	3	45.35	45.38	17
1956-57	7	144.11	144.18	12
1957-58	5	130.66	130.71	7
1958-59	5	84.26	84.31	19
1959-60	5.44	60.94	66.38	—

(a) The Calcutta and Alipore Mints did not undertake any refining work (b) Figures relate to the Calcutta Mint

STATEMENT 47

PRICES (a) OF SILVER IN BOMBAY (ANNUAL AND MONTHLY)
(per 100 tolas)

	Highest Rs	Spot			Forward(b)			Estimated Floating Stocks (c) (in bars of 2,800 tolas)
		Lowest Rs	Average(d) Rs	Highest Rs	Lowest Rs	Average(d) Rs	Highest Rs	
1950-51	198.75	173.87	185.89	197.25	173.44	184.74	184.74	3,727
1955-56	183.81	154.75	168.72	184.44	149.62	166.73	166.73	975
1956-57	187.37	168.69	175.63	186.87	166.25	175.26	175.26	1,372
1957-58	196.06	177.19	184.66	196.00	177.06	184.38	184.38	773
1958-59	202.00	178.44	190.06	202.69	179.50	190.41	190.41	955
1959-60	218.25	191.87	205.38	218.19	188.62	204.20	204.20	819
April 1959	203.37	198.50	201.11	203.00	195.69	199.56	199.56	513
May "	203.69	191.87	196.61	200.87	188.62	192.94	192.94	210
June "	196.56	192.00	194.44	195.75	190.19	193.45	193.45	244
July "	198.12	194.50	196.44	198.50	193.50	196.06	196.06	410
August "	206.19	196.81	201.15	206.69	196.69	201.23	201.23	425
September "	204.94	201.69	203.52	206.44	201.69	204.28	204.28	600
October "	210.50	203.37	207.41	211.75	204.12	208.24	208.24	970
November "	212.50	209.19	210.70	214.12	209.31	211.75	211.75	1,350
December "	213.12	206.44	209.57	215.25	206.69	210.90	210.90	1,500
January 1960	215.44	210.75	213.09	216.44	211.44	213.81	213.81	1,560
February "	215.75	211.19	213.85	215.69	211.44	213.71	213.71	1,300
March "	218.25	215.25	217.21	218.19	215.25	216.67	216.67	775

Note.—Import duty per 100 tolas (inclusive of a surcharge of 5 per cent) was Rs 9.84 upto May 2, 1956, Rs 19.69 upto May 15, 1957 and Rs 18.75 thereafter.

(a) Spot quotations for Silver relate to 999 fineness for 1950-51 and thereafter to below 996 fineness.

(b) Monthly Settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account. (c) Average of week-end stocks (d) Average of closing quotations on working days.

Source. Bombay Bullion Association Ltd.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 48

PRICES OF GOLD AND SOVEREIGN IN BOMBAY (ANNUAL AND MONTHLY)

	Gold (a) (per fine tola)						Sovereign					
	SPOT			FORWARD(b)			SPOT			Sovereign		
	Highest Rs.	Lowest Rs.	Average(c) Rs	Highest Rs	Lowest Rs	Average(d) Rs	Highest(e) Rs	Lowest(f) Rs	Average(g) Rs.	Highest(d) Rs	Lowest(d) Rs	Average(c) Rs.
1950-51	120 12	104 75	113 46	118 87	104 50	113 21	78 25	73 81	76 05	77 308		
1955-56	107 06	89 41	95 85	106 94	86 12	94 30	66 75	59 00	61 29	22,538		
1956-57	109 62	98 94	104 52	109 00	97 94	104 06	70 00	65 75	67 58	24,577		
1957-58	114 37	104 50	108 46	113 12	104 06	107 94	72 25	68 75	70 39	19,212		
1958-59	120 19	104 19	112 08	119 81	103 69	111 62	76 00	69 75	72 06	24,135		
1959-60	125 94	116 59	120 96	133 62	114 87	123 05	86 50	75 75	80 10	31,885		
				126 20								
				118 06								
				134 62								
April	1959	125 31	119 75	122 17	124 56	116 69	120 09	78 50	75 75	76 59	23,000	
May	"	125 94	116 50	121 77	124 94	114 87	118 77	78 75	77 00	77 94	22,400	
June	"	121 81	118 50	120 59	121 62	115 87	118 18	78 50	78 00	78 26	28,750	
July	"	121 69	117 37	119 53	119 37	116 62	118 19	78 62	77 50	78 15	29,200	
August	"	123 31	118 06	120 84	123 81	117 75	120 48	78 75	77 50	78 19	35,500	
September	"	123 50	120 37	121 81	124 12	120 75	122 31	78 75	77 50	78 28	43,250	
October	"	125 44	121 62	123 90	125 62	122 00	124 06	81 90	78 25	79 19	43,600	
November	"	125 69	123 72	124 79	126 37	123 56	125 15	81 90	80 50	80 73	32,500	
December	"	126 62	122 94	124 85	127 81	122 81	125 40	81 37	80 75	81 04	38,500	
January	1960	134 62	126 12	130 35	133 62	126 50	129 68	84 00	81 25	82 36	30,400	
February	"	132 94	128 75	131 44	133 31	128 81	131 10	84 75	83 50	84 16	29,750	
March	"	132 75	128 69	130 77	132 44	128 12	129 91	86 50	84 75	86 01	26 250	

Note.—Import duty per tola (inclusive of a surcharge of 5 per cent) was Rs 13 12 upto May 1957 and Rs. 15 thereafter

- (a) Spot prices relate to Mysore Gold upto July 13, 1958, Abyssinian Gold from July 14, 1958 to July 31, 1959 and Gold Bullion thereafter
- (b) Monthly settlements. In arriving at the highest, lowest and average prices, all settlement rates have been taken into account
- (c) Average of closing quotations on working days
- (d) Figures relate to closing prices on working days
- (e) Average of week-end stocks

Source. Bombay Bullion Association Ltd

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 49

PRICES (WEEKLY) OF GOLD AND SILVER AND ESTIMATED STOCKS IN BOMBAY, 1959-60

	Gold (a)						Silver (b)						Estimated Floating Stocks (in bars of 2,800 tolas)	
	Spot	Forward(c)	Premium (+) or Discount (-) of Spot over Forward		Estimated Floating Stocks (Totals)	Spot	Forward(c)	Premium (+) or Discount (-) of Spot over Forward		Rs.	Rs.	Rs.		
			Rs.	Rs.				Rs.	Rs.					
As at the close of														
1959														
April	3	119.94	118.44	+1.50	25,000	198.81	198.81	-	-	6.50				
"	10	121.12	120.37	+0.75	24,000	201.25	201.25	-	-	6.00				
"	17(a)	120.94	120.50	+0.44	20,000	200.37	200.31	+0.66	+0.66	5.50				
"	24	123.84	121.84	+2.00	23,000	202.69	202.69	-	-	2.50				
May	1	125.56	123.75	+1.81	21,000	202.81	200.06	+2.75	+2.75	2.75				
"	8	121.94	120.81	+1.13	21,000	198.25	195.87	+0.38	+0.38	2.00				
"	15	117.37	117.06	+0.31	25,000	192.69	192.19	-0.38	-0.38	2.00				
"	22	121.75	121.00	+0.75	18,000	192.81	193.19	+4.00	+4.00	1.25				
"	29	122.41	119.03	+3.38	21,000	196.75	192.75	-	-					
June	5	120.06	118.19	+1.87	25,000	192.50	191.50	+1.00	+1.00	2.00				
"	12	120.41	119.28	+1.13	28,000	194.37	193.62	+0.75	+0.75	1.50				
"	19	120.94	120.62	+0.32	30,000	194.87	194.66	+0.21	+0.21	2.75				
"	26	120.94	118.19	+2.75	32,000	195.44	195.41	+0.03	+0.03	3.50				
July	3	120.56	118.81	+1.75	30,000	194.81	194.44	+0.37	+0.37	3.00				
"	10	120.31	118.56	+1.75	25,000	196.19	195.56	+0.63	+0.63	3.50				
"	17	118.97	118.09	+0.88	29,000	197.00	197.31	-0.31	-0.31	3.50				
"	24	119.03	118.41	+0.62	31,000	196.66	196.66	-	-	5.00				
"	31	118.69	117.56	+1.13	31,000	196.87	197.25	-0.38	-0.38	5.50				
August	7	119.09	118.91	+0.18	28,000	199.50	199.75	-0.25	-0.25	5.00				
"	14	120.84	120.84	-	33,000	201.00	201.12	-0.12	-0.12	4.00				
"	21	122.31	122.25	+0.06	37,000	203.19	203.12	+0.07	+0.07	4.00				
"	28	122.50	122.69	-0.19	44,000	205.44	205.44	-	-	4.00				
September	4	-	122.03	122.28	-0.25	36,000	203.00	-	-					
"	11	-	122.19	122.09	+0.10	44,000	203.56	-	-	4.50				
"	18	-	121.00	121.37	-0.37	42,000	202.37	-	-	5.50				
"	25	-	121.03	121.47	-0.44	51,000	203.31	-	-	7.00				

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m	October	2(d)											
"	9		121 87	122 25	-0 38	45,000	203 75	204 50	-0 75	8.50			
"	16		123 25	123 41	-0 16	53,000	205 00	205 31	-0 31	8.00			
"	23		124 09	123 84	+0 25	55,000	208 75	208 69	+0 06	10.00			
"	30		124 87	125 00	-0 13	25,000	209 44	210 31	-0 87	11.00			
			"	"	-0 25	40,000	209 56	210 37	-0.81	11.00			
November	6		125 25	125 31	-0 06	26,000	212 00	212 50	-0 50	12.00			
"	13		124 78	124 75	+0 03	36,000	211 12	211 44	-0 32	13.00			
"	20		124 87	125 12	-0 25	33,000	211 03	211 53	-0 50	14.00			
"	27		124 84	125 16	-0 32	35,000	209 75	210 75	-1 00	15.00			
			"	"	-0 32								
December	4		124 81	125 12	-0 31	36,000	209 69	210 44	-0 75	15.00			
"	11		123 56	123 56	--	45,000	208 00	208 25	-0 25	15.00			
"	18		124 81	125 19	-0 38	33,000	208 87	210 12	-1 25	15.00			
"	25(d)		126 09	126 47	-0 38	40,000	212 00	213 06	-1 06	15.00			
			"	"	-0 38								
	1960												
January	1(d)		125 44	126 12	-0 68	36,000	210 25	211 25	-1 00	15.00			
"	8		127 94	128 00	-0 06	35,000	213 12	213 25	-0 13	15.00			
"	15		129 53	129 53	-0 37	26,000	212 62	212 50	+0 12	17.00			
"	22		134 56	133 56	+1 00	25,000	214 19	215 06	-0 87	16.00			
"	29		133 00	132 69	+0 31	30,000	213 69	213 81	-0 12	15.00			
			"	"	-0 37								
February	5		130 06	130 50	-0 44	31,000	212 50	212 62	-0 12	14.00			
"	12		131 62	131 69	-0 07	27,000	213 03	213 03	-0 03	12.00			
"	19		132 34	131 47	+0 87	27,900	214 94	214 94	-	14.00			
"	26		130 69	130 19	+0 50	34,000	214 94	214 94	-	14.00			
			"	"	-0 07								
March	4		132 22	131 91	+0 31	27,000	217 19	217 19	-0 19	9.00			
"	11		131 47	131 41	+0 06	33,000	218 06	218 06	+0 07	8.00			
"	18		129 12	128 50	+0 62	25,000	217 19	217 12	+0 07	7.00			
"	25		130 62	129 37	+1 25	20,000	217 12	216 81	+0 31	7.00			

Source: Bombay Bullion Association Ltd.

Source: Bombay Bullion Association Ltd.

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STATEMENT

STATEMENT 50
BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

	1959-61			1955-56			1956-57			1957-58			1958-59			1959-60			1960-61		
	(Accounts)			(Accounts)			(Accounts)			(Accounts)			(Accounts)			(Budget)			(Revised)		
(Crores of Rupees)																					
I. Revenue Account																					
A. Revenue (a)	405	86	431	19	561	23	671	18	670	21	687	65	746	19	825	15(b)					
B. Expenditure (c)	346	64	440	74	473	83	631	33	673	46	746	73	761	58	885	52					
C. Surplus (+) or Deficit (-)	+ 59	22	+ 40	45	+ 89	40	+ 42	05	- 5	25	- 19	03	15	19	- 60	37					
II. Capital Account																					
A. Receipts (d)	104	45	280	95	302	75	297	62	590	51(f)	947	12(e)	1,847	11	1,901	42					
B. Disbursements	182	59	470	92	616	78	841	07	813	20	1,111	53	1,896	9 <i>(e)</i>	1,983	17					
C. Surplus (+) or Deficit (-)	- 78	14	- 189	97	- 314	03	- 345	45	- 222	67	- 164	01	1,69	7	97	1					
III. Miscellaneous (Net) (e)	+ 15	26	- 10	35	+ 39	88	+ 44	82	+ 5	98	+ 0	89	- 0	69	- 1	1					
IV. Overall Surplus (+) or Deficit (-) (I.G + II.G + III)	- 3	66	- 159	87	- 184	75	- 458	58	221	94	- 222	19	174	47	153	53					
Financed by:																					
A. Treasury bills (f) [Increase (-)]	- 16	10	- 123	38	- 240	45	- 459	43	- 204	70	- 222	00	- 190	10 <i>(g)</i>	151	80					
B. Cash balances [decrease (-)]	+ 12	44	- 36	49	+ 55	70	+ 0	85	- 17	24	- 0	19	+ 15	61	- 0	51					
(i) Opening balance	149	50	32	23	- 4	66	50	96	52	11	50	12	34	87	49	93	50	50	49	97	
(ii) Closing balance	- 161	94	- 4	26	51	04	51	81	34	87	49	93	50	50	-						

Note.—Accounts are provisional and other taxes (b) Including the effect of budget estimates for 1960-61 relate to those presented to the Lok Sabha (a) Excluding States' share of excise duties (d) Excluding Treasury bill receipts (c) Excluding the payment of States' remittances and transfer of cash between England and India (f) Excludes the conversion of ad hoc Treasury bills of Rs. 300 crores into 4 per cent Loan 1973 which was taken over by the Reserve Bank in July 1958 and additional excise duties (e) Remittances placed on the market, but includes sales of Treasury bills of Rs. 25.5 crores through public auction, (g) Mostly sold to the Reserve Bank for purchase of gold for part payment of India's increased subscription to the I.M.F. (i) Excludes an amount of Rs. 17.9 crores through public auction, (j) Excludes sales of Treasury bills of Rs. 15 crores funded in December 1959.

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STATEMENT 51
CONSOLIDATED BUDGETARY POSITION OF STATES

							(Crores of Rupees)		
		1951-52 (Accounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Accounts)	1958-59 (Budget)	1959-60 (Revised)	1960-61 (Budget)	
I. Revenue Account									
Revenue		405 4	560 1	577 0	714 2	816 6	846 8	888 1	
Expenditure		392 7	626 4	654 4	684 4	768 3	839 9	864 6	
<i>Surplus (+) or Deficit (-)</i>		+ 12 7	- 66 3	- 77 4	+ 29 8	+ 48 3	+ 6 9	+ 23 5	
II. Capital Account									
Receipts		163 6	385 8	469 7	405 7	391 7	490 2	509 7	
Disbursements		158 7	369 8	454 1	432 1	434 9	503 2	549 1	
<i>Surplus (+) or Deficit (-)</i>		- 5 1	+ 16 0	+ 15 6	- 26 4	- 43 2	- 13 0	- 39 4	
III. Miscellaneous (Net)(a)									
		+ 1 6	- 0 8	+ 0 9	- 15 6	- 1 6	- 0 6	+ 1 7	
IV. Increase (+) or Decrease (-) in Cash Balances (b)									
(1) Opening Balance		- 10 8	- 51 1	- 60 9	- 12 2	+ 3 5	- 6 7	- 14 2	
(2) Closing Balance		61 5	92 1	41 0	27 6	14 5	5 0	18 0	
		50 7	41 0	- 19 9	15 4	18 0	- 1 7	3 8	
								- 2 2	

Note. — The figures for the year 1951-52 do not include part C States (*viz.* Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57 revised and budget estimates respectively are used since later figures are not available. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which is now a part of Bombay State, the figures from 1957-58 also include Jammu and Kashmir. The budget estimates for 1959-60 are on the basis of existing taxation except in the case of Andhra Pradesh, Rajasthan and Uttar Pradesh. In the case of Bombay State for the year 1959-60 (revised) budget estimates have been used. The budget estimates for 1960-61 are before tax changes except in the case of Orissa.

(a) Consists of remittances (b) Including overdraft

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 52

**REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA
(ON REVENUE ACCOUNT)**

	1959-61 (Accounts)	1955-56 (Accounts)	1956-57 (Accounts)	1957-58 (Accounts)	1958-59 (Accounts)	1959-60 (Revised) (Budget)			1960-61 (Budget)		
						1	2	3	4	5	6
REVENUE											
I.	Taxes on Income and Expenditure <small>(1 + 2 + 3)</small>	125.70	113.23	144.17	146.40	151.18	147.38	151.48	188.84		
	Taxes on Income other than Corporation Tax	132.73	131.35	151.74	163.70	172.01	166.25	152.00	105.00		
	Net States share	47.52	55.16	58.75	73.43	75.80	78.62	79.32	52.06		
	Net Receipts	85.21	76.19	92.99	90.27	96.21	87.63	72.68	52.94		
	2. Corporation Tax	40.49	37.04	51.18	56.13	54.33	58.75	78.00	135.00		
	3. Expenditure Tax	—	—	—	—	0.64	1.00	0.80	0.90		
II.	Taxes on Property and Capital Transactions <small>(1 + 2 + 3 + 4 + 5)</small>	3.81	2.55	2.41	10.61	14.91	18.39	16.87	11.91		
	Estate Duty	—	1.81	2.41	2.31	2.70	2.85	2.85	3.00		
	Less States share	—	1.86	2.41	2.40	2.38	2.71	2.76	2.90		
	Net Receipts	—	-0.05	-0.30	-0.09	0.32	0.14	0.09	0.10		
	1. Taxes on Wealth	—	—	—	7.04	9.67	13.00	12.00	7.00		
	2. Gift Tax	—	—	—	—	0.98	1.20	0.80	0.80		
	3. Stamp and Registration	1.81	1.72	2.17	3.31	3.41	3.51	3.42	3.44		
	4. Land Revenue	2.00	0.88	0.54	0.35	0.53	0.54	0.56	0.57		
III.	Taxes on Commodities and Services <small>(1 + 2 + 3 + 4)</small>	227.49	295.69	347.18	418.32	386.97	389.46	443.46	476.02		
	Customs	107.70	127.98	140.52	150.94	116.53	114.32	138.22	143.62		
	Imports	47.36	37.76	28.67	26.83	20.84	16.95	16.28	16.28		
	Exports	6.37	4.22	7.31	7.28	5.41	5.00	8.80	5.90		
	Other Revenue	—	—	3.26	3.27	5.06	4.49	3.50	3.30		
	(1) Net Receipts	157.15	166.70	173.23	179.99	138.29	132.77	160.00	162.50		
	Union Excise Duties <small>(Of which additional excise duties^(a))</small>	67.54	145.25	190.43	273.62	312.94	324.32	350.82	380.64		
	Less States share	—	—	—	—	—	—	—	—		
	(2) Net Receipts	16.57	16.54	18.22	40.61	72.61	72.61	74.79	74.79		
	Tax on Railway Passenger Fare ^(b)	—	—	—	—	233.40	239.95	249.53	276.12		
	Less States share	—	—	—	—	3.68	12.24	41.00	12.56		
	(3) Net Receipts	—	—	—	—	—	4.41	10.89	13.07		
	(4) Other Taxes and Duties	2.80	0.31	1.74	5.66	-0.73	1.35	0.11	-0.51	0.11	
IV.	Total Tax Revenue <small>(I + II + III)</small>	357.00	411.47	493.76	575.33	553.06	555.23	611.81	676.77 ^(a)		
V.	Administrative Receipts ^(c)	12.53	17.68	16.90	43.5%	—	—	—	56.6%	56.6%	

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VI.		Net Contribution of Public Undertakings		VII.		Other Revenue		VIII.		Total Revenue (IV+V+VI+VII)		EXpenditure		IX.		X.		XI.		XII.		XIII.		XIV.		XV.	
		23	16	28	92	31	81	35	96	54	93	55	55	32	64	5	64	5	64	5	64	5	64	5	64		
(1) Railways	6	50	5	80	5	86	6	29	6	26	5	98	5	75	4	16	4	16	4	16	4	16	4	16	0	47	
(2) Posts and Telegraphs	3	98	3	47	6	32	3	71	6	42	4	20	4	20	4	20	4	20	4	20	4	20	4	20	46	95	
(3) Currency and Mint	9	71	19	75	19	44	26	04	21	43	45	78	46	01	46	01	46	01	46	01	46	01	46	01	46	01	
(Profits of the Reserve Bank of India)	(9)	91	(20)	00	(20)	00	(30)	00	(30)	00	(40)	00	(40)	00	(40)	00	(40)	00	(40)	00	(40)	00	(40)	00	(40)	00	
(4) Others (b)	2	97	-0	10	0	19	0	23	-0	15	-1	03	-0	37	-0	37	-0	37	-0	37	-0	37	-0	37	-0	37	
Total Revenue (IV+V+VI+VII)	405	86	431	11	563	23	673	38	670	21	687	65	746	19	825	15	82	15	82	15	82	15	82	15	82	15	

Note.—(1) The figures of total revenue and expenditure as given in the statement differ from those in the Budget papers as respects (a) liaison exchequer duties and additional duties of excise are excluded. Budget

Note.—(i) The amount and currency and name are shown on a net basis. States' share of grants under the Lok Sabha estimates for 1957-58 to 1960-61 include self-balancing items in respect of (i) grants under P. L. 480 amounting to Rs. 1,000 lakhs in 1957-58, Rs. 1,000 lakhs in 1958-59, Rs. 1,000 lakhs in 1959-60, Rs. 1,000 lakhs in 1960-61 (Budget), and (ii)

(2) Figures under revenue and expenditure for 1951-52 to 1959-60 (Budget), Rs 2 crores in 1959-60 (Revised), and Rs 10 crores in 1960-61 (Budget), and Rs 10 crores in 1960-61 (Revised), and

Beliefs announced subsequently are not taken into account. (b) Include forests, opium, irrigation, etc.

(a) Including effect of budget proposals (b) Excluding forests, opium and States' share of Union excise duties and ad valorem taxes
 (c) Excluding road and water transport schemes (d) Excluding forests, opium and States' share of Union excise duties and ad valorem taxes
 (e) Including appropriation for electricity and Road and Water Transport Schemes
 (f) Excluding Electricity and Road and Water Transport Schemes
 (g) Excluding Electricity and Road and Water Transport Schemes

(i) Comprise Schemes, relied in natural calamities, etc., for the Special Development Schemes, related to appropriate institutions and certain items of developmental expenditure transferred to miscellaneous expenditure.

(i) Include grants-in-aid to States (ii) Comptroller and Auditor General, Government of India, to audit accounts of all departments, including agriculture, rural development, veterinary, co-operation, industries and so on.

STATEMENT 53

REVENUE FROM UNION EXCISE DUTIES

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Commodity	1950-51 (Accounts)		1955-56 (Accounts)		1956-57 (Accounts)		1957-58 (Accounts)		1958-59(a) (Accounts)		1959-60 (Revised) (Budget) (b)	
	1	2	3	4	5	6	7	8	9	10	11	12
Basic Duties												
Motor Spirit	2,08	21,05	25,21	30,85	32,52	36,00	38,75					
Kerosene	28	2,43	3,29	3,06	4,15	6,10	6,35					
Sugar	6,46	18,58	20,88	42,75	52,27	47,36	46,40					
Matches	8,07	10,08	10,05	15,08	19,21	18,00	18,00					
Steel Ingots	54	69	64	6,25	7,29	10,00	12,00					
Tyres and Tubes	4,04	5,53	6,15	3,87	7,16	10,50	10,50					
Tobacco	31,99	36,46	38,43	45,49	49,09	43,74	43,74					
Vegetable Products	2,19	3,82	4,35	3,92	3,86	5,00	5,25					
Coffee	1,17	93	1,20	1,12	1,34	1,35	1,35					
Tea	3,36	3,17	3,19	3,86	4,71	7,65	7,65					
Cotton Cloth	9,26	28,18	51,86	64,60	57,40	43,00	44,55					
Artificial Silk		2,18	1,03	1,69	1,96	1,53	1,83					
Cement		2,22	2,55	11,17	13,91	16,50	17,50					
Footwear		84	99	97	1,05	1,10	1,35					
Soap		1,55	1,85	1,76	2,23	2,00	2,05					
Woollen Fabrics		53	61	61	86	62	62					
Electric Fans		27	32	46	53	53	78					
Electric Bulbs		25	28	30	33	33	48					
Electric Batteries		73	89	80	98	1,04	1,54					
Paper		2,68	3,27	5,39	6,78	7,50	7,75					

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Paints and Varnishes	..	1,01	1,17	1,20	1,27	1,30	1,30
Vegetable Non essential Oils	..	29	5,30	9,80	10,02	13,09	13,09
Refined Diesel Oils and Vapourising Oils	..	16	2,53	7,01	9,60	24,00	29,04
Industrial Fuel Oils	..	47	3,03	3,24	4,77	8,00	8,00
Rayon and Synthetic fibres and yarn	..	—	7	29	86	2,20	2,30
Motor Cars	..	—	5	32	20	3	6,28
Coal Cess	..	1,62	2,38	2,18	2,68	3,25	3,75
Cess on Copra	..	—	—	12	13	10	10
Cess on Oils and Oilseeds	..	44	76	1,21	4,74	1,73	11,45 ^(c)
Miscellaneous	..	71,50	149,24	192,75	274,51	299,87	314,63
Total Gross Revenue	..	—	—	—	—	—	344,05
<i>Less Refunds and Drawbacks</i>	..	—3,96	—3,99	—2,12	—3,50	—4,50	—4,50
Total Net Revenue	..	67,54	145,25	190,43	271,01	296,82	310,13
<i>Additional Duties</i>	..	..	..	..	6,79	12,90	12,90
Sugar	..	..	..	..	5,22	20,49	20,89
Textiles	..	..	..	..	4,11	7,30	7,30
Tobacco	..	..	..	..	2,61	16,12	40,69
Total	..	67,54	145,25	190,43	273,62	312,94	350,82
Grand Total—Union Excise Duties	..	—	—	—	—	—	380,64
States' share of Excise Duties	..	..	..	..	..	..	..
Net Receipts	..	67,54	128,68	172,21	233,40	239,95	276,12

(a) Figures have yet to be reconciled. (b) Taking into account the effect of tax proposals subsequent concessions amounting to Rs 63 lakhs (Rs 49 lakhs in basic excise duties and Rs 14 lakhs in additional excise duties) are not taken into account. (c) Includes excise duties of Rs 200 lakhs on asphalt and bitumen. (d) Includes excise duties on asphalt and bitumen, salt cess, iron plates and sheets, aluminium ingots, pig iron, combustion engines, cycle parts, electric motors and cinematograph films.

STATEMENT 54

CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

REPORT ON CURRENCY AND FINANCE, 1959-60

1	2	3	4	5	6	7	8	9	10	11	12	
RECEIPTS												
— Loans—												
Internal(a)	30 34	103 68	157 73	136 17	227 41(f)	240 00(g)	228 91(k)	250 00				
External	7 75	2 67	10 84	32 47	197 25	299 77	228 68	331 21				
Special Floating Loan	—	—	—	—	—	95 24	71 43	—				
Inter-State Debt Settlement	—	0 78	1 55	—	—	—	—	—				
Treasury Deposit Receipts(b)	—	7 13	—	—	—	—	—	—				
Small Savings(b)	33 52	66 51	58 95	69 46	78 21	85 00	82 00	90 00				
Other Unfunded Debt(b)	8 30	16 89	18 84	20 40	19 46	21 38	23 73	39 24				
Railway Funds(b)	17 55	6 92	6 31	—24 43	—40 18	—17 54	—19 19	—14 36				
Other Reserve Funds(b)	0 16	1 02	0 79	1 12	0 73	1 00	5 80	— 0 39				
Appropriation for Reduction or Avoidance of Debt	5 00	5 00	5 00	5 00	5 00	5 00	5 00	5 00				
Deposits under Income Tax Act(b)	—33 21	— 1 33	— 2 83	3 22	— 4 30	— 0 11	— 0 60	— 0 30				
Payments of Loans by States	8 08	25 22	34 60	61 40	61 93	95 37	90 47	103 00				
Special Development Fund(c)	—	40 50	30 73	32 83	49 48	107 70	83 32	114 20				
Contingency Fund	15 00	—	—	—	2 00	—	—	—				
Other Items(d)	19 09	13 09	—19 76	—40 02	— 6 46	14 71	47 56	72 82				
Total Receipts (excluding Treasury Bills)	104 45	280 95	302 75	297 62	590 53	947 52	847 13	990 42				
DISBURSEMENTS												
Capital Outlay												
on-Developmental:												
Defence												
Payments of Commuted Value of Pensions	4 19	17 59	19 70	22 93	27 88	32 74	36 48	37 74				
State Trading Schemes	— 6 57	— 9 01	— 9 37	— 9 40	—38 56	— 3 95	— 4 04	— 4 08				
Currency, Mint and Security Printing Press Others(i)	— 2 26	—29 59	11 67	46 56	22 86	32 04	9 47	26 85				
	8 76	— 0 25	0 44	3 23	99.22(e)	78 00(h)	3 65	3 65				
	15 01	3 67	19 87	24 65	21 00	61 93	34 80	34 80				

REPORT ON CURRENCY AND FINANCE, 1959-60

Total-Non-Developmental	13 63	- 8 58	41 62	85 18	36 41	221 98	154 71	142 91
Developmental :								
Railways	25 41	67 52	107 38	151 90	125 82	121 81	85 03	120 81
Post and Telegraphs	7 07	9 03	9 59	10 83	10 70	15 45	11 85	15 45
Civil Aviation	1 82	1 95	2 47	2 55	3 31	4 38	4 38	4 61
Irrigation & Multi-purpose River Schemes	2 56	2 98	2 53	3 42	3 27	3 37	4 46	2 96
Civil Works	9 11	24 55	23 74	18 02	19 90	25 77	25 12	29 59
Industrial Development	8 90	11 07	66 34	147 57	187 19	54 28	64 15	94 71
Other Head(<i>f</i>)	2 53	18 84	21 24	14 10	15 26	30 49	26 67	33 37
Total Developmental	57 40	135 94	232 89	348 39	365 45	255 55	221 66	301 50
Total Capital Outlay	71 03	127 36	274 51	413 57	401 86	477 53	376 37	444 41
Discharge of Permanent Debt								
Internal	41 74	69 04	79 96	67 39	21 13	117 47	118 77	108 70
External	4 11	3 22	3 21	7 21	7 46	9 37	9 27	27 70
Discharge of Special Floating Debt	-	-	-	4 80	3 37	3 43	3 43	-
Inter State Debt Settlement	-	0 68	0 16	1 45	-	-	0 12	-
Advances to States	61 46	241 24	202 03	{ 283 60	293 90	292 58	284 60	331 85
Advances to States from Special Development Fund	-	-	5 47	7 50	-	-	-	-
Other Loans and Advances(<i>b</i>)	4 25	23 91	49 41	45 05	85 48	191 04	186 25	151 56
Total Disbursements	182 59	470 92	616 78	843 97	813 20	1,111 53	1,006 90	1,083 37
Surplus (+) or Deficit (-)	-78 11	- 159 97	- 311 81	- 515 15	- 222 67	- 164 01	- 653 77	- 92 95

Note—(1) Figures of receipts and disbursements will not tally with those in the budget papers as certain adjustments have been made here (2) Receipts and disbursements for 1959-60 (B.E.), 1959-60 (R.E.) and 1960-61 (B.E.) include a formal adjusting item amounting respectively to Rs. 27 crores, Rs. 31 crores and Rs. 74 crores in respect of loan assistance from the U.S. Government which is transferred to Special Development Fund by debit to capital. (3) Treasury bill receipts and miscellaneous items such as remittances etc., have been excluded from this statement.

(a) Excluding 15 Year Annuity Certificates which are included under Colombo Plan, assistance under Indo-U.S. Technical Assistance Agreement and other aid (*d*) Residual item (*e*) includes the additional contribution of Rs. 95 24 crores to the I.M.F. (*f*) Excludes the conversion of *Ad hoc* Treasury bills of Rs. 300 crores into 4 per cent loan, 1973 which was taken over by the Reserve Bank in July 1958 and is not intended to be placed on the market, but includes sale of Representative bills to the Public of Rs. 25 5 crores (*g*) Includes issue of Treasury bills to the Public of Rs. 15 crores (*h*) Excludes an amount of Rs. 17 9 crores representing *Ad hoc* Treasury bills issued to the Reserve Bank for part payment of India's increased subscription to the International Monetary Fund. (*i*) Includes transfer of sale proceeds of American (Loan) Wheat, Contingency Fund, and payments to displaced persons (*j*) Includes grants to States for development purposes. Ports etc. (*k*) Excludes the conversion of *Ad hoc* Treasury bills of Rs. 150 crores into 3 1 per cent Bonds, 1969, 3 1 per cent Bonds, 1962, 3 1 per cent National Plan Bonds, Second Series 1965, 3 1 per cent National Plan Bonds, Third Series 1967 and 3 1 per cent Loan, 1968

STATEMENT 55

BUDGETARY POSITION OF INDIVIDUAL STATE GOVERNMENTS (On Revenue Account)

(Lakhs of Rupees)

States	REVENUE					EXPENDITURE				
	Tax Revenue		Non-Tax Revenue		(d)	Development Expenditure		Total Expenditure		Surplus (+) or Deficit (-)
	Taxes on Income(a)	Taxes on Property and Capital Transactions(b)	Total Tax Revenue	Revenue from Commodities and Services(c)		Revenue	Expenditure (e)	Expenditure(f)(ii)	Expenditure(f)(i)	
	1	2	3	4	5	6	7	8	9	10
Andhra Pradesh										
1958-59 (Accounts)	6,16	13,49	26,99	46,64	19,55	66,19	19,81	42,28	62,09	+ 4,10
1959-60 (Revised)	6,43	12,64	30,85	49,97	26,48	76,45	21,21	51,27	74,50	+ 1,95
1960-61 (Budget)	4,25	13,29	32,05	49,59	30,89	80,48	25,81	54,47	80,28	+ 20
Assam										
1958-59 (Accounts)	4,95	2,98	10,58	18,51	12,54	31,05	10,71	17,12	27,85	+ 3,90
1959-60 (Revised)	4,15	3,17	9,94	17,46	17,93	35,39	12,28	20,55	32,83	+ 2,56
1960-61 (Budget)	3,63	3,22	10,17	17,02	19,62	36,64	12,29	22,62	34,91	+ 1,73
Bihar										
1958-59 (Accounts)	1,70	10,87	22,42	46,99	19,06	60,05	23,91	30,80	60,71	- 66
1959-60 (Revised)	6,07	14,52	23,04	45,63	24,95	70,58	29,64	38,97	68,61	+ 1,97
1960-61 (Budget)	5,35	14,87	22,02	42,24	35,81	78,05	26,10	43,10	69,40	+ 5,65
Bombay (x)										
1958-59 (Accounts)	1,11	22,78	66,40	100,89	38,25	139,14	66,38	59,87	126,25	+ 12,59
1959-60 (Budget)	1,56	21,30	62,63	96,49	38,04	134,53	66,17	69,34	135,51	- 93
1960-61 (Budget)	1,16	21,73	70,39	105,48	42,23	147,71	72,83	74,81	147,64	+ 7
Kerala										
1958-59 (Accounts)	4,57	2,94	12,96	20,47	13,85	34,32	10,51	24,22	34,73	- 41
1959-60 (Revised)	4,50	3,10	14,16	21,76	16,65	38,41	12,04	27,40	39,44	- 1,03
1960-61 (Budget)	4,55	3,32	15,49	22,36	19,33	41,69	11,99	31,69	43,68	- 1,99 (i)
Madhya Pradesh										
1958-59 (Accounts)	5,13	10,05	16,60	31,78	26,52	58,30	21,76	30,83	52,59	+ 5,71
1959-60 (Revised)	5,61	11,77	17,84	35,22	24,38	59,60	23,99	33,12	57,11	+ 2,49
1960-61 (Budget)	5,53	11,53	18,13	33,46	27,89	61,35	23,17	36,81	61,98	- 63

REPORT ON CURRENCY AND FINANCE, 1959-60

Madras							
1958-59 (Accounts)	7,23	9,61	28,65	45,49	23,85	69,34	27,47
1959-60 (Revised)	7,97	9,69	29,44	47,38	30,21	77,59	29,21
1960-61 (Budget)	5,87	10,60	30,44	46,31	33,90	80,21	50,16
Meysore							
1958-59 (Accounts)	4,90	6,71	18,56	30,20	21,87	52,07	15,98
1959-60 (Revised)	5,70	6,66	20,13	32,29	25,08	57,37	18,31
1960-61 (Budget)	5,33	7,16	20,40	32,89	28,24	61,13	21,81
Punjab							
1958-59 (Accounts)	3,79	6,07	19,94	29,37	19,04	48,41	16,07
1959-60 (Revised)	3,53	7,72	19,86	31,14	23,30	54,41	22,32
1960-61 (Budget)	2,19	8,44	20,39	31,22	25,23	56,45	22,20
Rajasthan							
1958-59 (Accounts)	1,12	8,12	11,37	22,61	10,61	33,22	15,15
1959-60 (Revised)	1,42	8,85	12,48	24,75	14,29	39,04	17,85
1960-61 (Budget)	3,50	9,23	13,07	25,80	18,07	43,87	18,74
Uttar Pradesh							
1958-59 (Accounts)	13,01	25,06	38,93	77,60	30,60	107,60	54,65
1959-60 (Revised)	13,75	25,16	38,44	77,35	34,24	111,59	55,80
1960-61 (Budget)	9,28	26,70	38,80	74,38	44,31	118,69	58,46
West Bengal							
1958-59 (Accounts)	8,53	10,15	18,28	57,06	22,38	79,44	43,07
1959-60 (Revised)	8,68	9,19	19,52	57,39	33,01	90,40	41,12
1960-61 (Budget)	5,93	9,94	19,88	55,75	31,13	86,88	40,02
Jammu and Kashmir							
1958-59 (Accounts)	86	80	1,68	3,34	7,44	10,78	* 3,60
1959-60 (Revised)	84	92	1,79	3,55	19,05	23,60	4,62
1960-61 (Budget)	96	89	2,03	3,78	12,07	15,85	4,91
Total							
1958-59 (Accounts)	84,55	132,14	320,37	537,06	279,54	816,60	345,21
1959-60 (Revised)	89,05	138,30	327,60	553,95	334,17	888,12	366,44
1960-61 (Budget)	68,80	143,95	341,31	554,06	399,54	944,60	383,22

Note.—Figures given here would differ from those in the Budget papers as certain adjustments have been made to ensure uniformity in presentation. Budget estimates for 1960-61 are before tax changes except in the case of Orissa.

(a) Includes States' share of income-tax and professon tax. (b) Covers estate duty, land revenue, urban immovable property tax, stamp and registration and forward contracts tax. (c) Comprises excise duties, sales taxes, entertainment tax, electricity duties, motor vehicles taxes, taxes on railway fares and other taxes and duties. (d) Includes administrative receipts, net contribution of public enterprises, grants-in-aid and other contributions from the Centre etc. (e) Covers direct demands on revenue, debt services, civil administration, miscellaneous, famine and other non-development expenditure. (f) Includes education, medical and public health, agriculture, veterinary and co-operation and other development expenditures. (g) Revised estimates for 1959-60 are not available. (h) The classification of development and non-development expenditure has been done on the basis of broad budget heads. (i) The revenue deficit on the basis of existing taxation has subsequently been revised to Rs. 225 lakhs.

STATEMENT 56

REVENUE AND EXPENDITURE OF STATES (ON REVENUE ACCOUNT)

REPORT ON CURRENCY AND FINANCE, 1959-60

	1951-52 (Accounts)	1955-56 (Revised)	1956-57 (Budget)	1957-58 (Accounts)	1958-59 (Accounts)	1959-60 (Budget)	1960-61 (Revised)	1960-61 (Budget)
REVENUE								
Tax Revenue :								
Taxes on Income								
Share of Income Tax	57.05	61.12	59.33	61.40	84.55	86.67	88.05	68.80
Agricultural Income-tax	52.65	55.27	53.51	73.16	75.80	78.27	79.56	60.30
Professional Tax	4.13	5.74	5.71	7.80	8.42	8.12	8.18	8.19
Taxes on Property and Capital Transactions	7	11	9	24	33	28	31	31
Estate Duty	75.40	112.39	126.88	125.40	132.14	140.77	138.30	143.95
Land Revenue	47.99	80.31	92.66	87.72	91.85	101.14	97.13	100.84
Stamps and Registration	25.56	28.11	29.90	31.09	35.53	34.78	36.09	37.85
Urban Immoveable Property Tax	1.85	2.01	1.94	2.19	2.18	2.33	2.38	2.42
Taxes on Commodities and Services	148.60	176.02	180.52	265.18	320.37	307.83	327.60	341.51
Union Excise	70	16.60	17.04	40.21	71.02	73.80	75.45	75.05
State Excise	49.41	43.49	42.76	46.02	46.94	44.12	45.66	46.79
General Sales Tax	54.40	68.28	70.66	107.17	111.68	100.87	110.95	117.96
States Tax on Motor Spirit	4.53	8.30	8.71	9.85	12.19	12.67	13.37	14.16
Entertainment Tax	6.39	6.50	6.53	8.56	10.65	9.72	10.42	10.87
Electricity Duties	3.39	5.63	5.81	7.15	10.51	9.39	10.61	10.77
Motor Vehicles Taxes	10.09	14.39	14.98	21.13	24.46	23.23	25.46	26.95
Tax on Railway Tickets								
Other Taxes and Dutes (a)	19.69	12.83	14.01	20.08	20.94	23.16	23.02	26.06
Total Tax Revenue	281.05	349.53	366.73	471.94	537.06	535.27	553.95	554.06
Non-Tax Revenue :								
Administrative Receipts (b)								
Net Contribution of Public Enterprises (c)	38.13	60.44	66.70	82.92	104.49	121.33	127.02	148.17
Forests	24.92	30.97	34.88	42.93	39.69	42.94	41.86	46.48
Irrigation (d)	12.61	12.82	11.99	24.12	26.37	21.99	23.91	25.19
Electricity Schemes	8.03	8.51	10.90	7.54	6.05	12.61	10.00	11.78
Road and Water Transport	3.41	5.96	7.66	6.40	3.61	2.03	2.48	2.89
Industries and Others	10	2.03	3.51	4.84	4.59	5.77	4.70	5.59
Other Revenue (e)	35.94	52.48	43.57	42.92	53.55	53.92	56.10	63.10
Grants In-aid and other Contributions	25.36	67.61	65.10	74.34	81.81	93.38	109.19	132.79
Total Non-Tax Revenue	124.35	210.60	218.25	242.21	279.54	311.57	334.17	390.54
Total Revenue	495.41	560.13	576.98	714.19	816.60	846.84	888.12	944.60

REPORT ON CURRENCY AND FINANCE, 1959-60

	Development Expenditure (₹):					
Education	105.04	119.93	130.37	147.25	160.07	163.41
Health	48.83	54.27	51.57	57.85	71.81	75.99
Agriculture, Veterinary and Co-operation	29.22	42.31	46.66	46.23	64.53	64.09
Agriculture, Veterinary and Co-operation	25.90	25.02	22.93	23.76	25.43	26.90
Irrigation (₹)	17.62	21.10	9.14	8.61	7.26	4.74
Electricity Schemes (₹)	4.61	30.51	32.97	31.70	39.06	38.55
Rural and Community Development Projects	82	70.67	59.92	50.12	44.20	59.31
Civil Works	40.93	10.67	19.77	15.35	18.04	22.84
Industries and Supplies	5.81	16.31	21.56	28.35	32.24	37.91
Other Development Expenditure (₹)	11.00	11.00	11.00	11.00	11.00	11.00
Total Development Expenditure	356.46	387.15	386.06	423.08	486.66	498.71
	196.21					
						177.53
						82.03
						70.88
						30.07
						5.49
						51.92
						63.09
						25.16
						49.81
						555.70

Non-Development Expenditure:

Direct Demands on Revenue (r)

Debt Services (J)
Civil Administration (K)

Miscellanea (V)

Gitter τ_{min} [ns] vs. diture (μm)

Total Non-Development Expenditure

Total Fy penidule

Surplus (+) or Deficit (-)

Note — Figures given here were taken from the figures for 1951-52 do not include the figures for 1952.

The figures in this table are revenue budgets for these States and reflect the available budget figures as of July 1, 1970.

Note: Figures for the United States which exclude Delhi and Himachal Pradesh also include the figures from 1957-58.

¹ Andhra Pradesh, Rajasthan and Uttar Pradesh.

(a) Include sugarcane cess, 1% on raw juice, etc. (b) Include receipt

not constitute a commercial supplier

and non-development expenditure in 'debt services' are underestimated.

Exclude **loftics** (i) include **appre-**
jails and **convict** settlements and
parties, irrecoverable loans and adv-
charges and transfers to funds

(a) Include suggesting cessation of payments, (b) include receiving payment, (c) contribution of public enterprises taken on a gross basis, (d) comprises of items for which capital accounts are not maintained, (e) classification of items for which capital accounts are not maintained, (f) the classification of items for which capital accounts are not maintained.

(b) Comprises general administration, local bodies and private organisations and other bodies.

(m) Includes pensions, allowances, etc., and convict settlements and police (n) Covers educational services, irrecoverable losses and advances, advanced technical training scholarships, etc.

STATEMENT 57

CAPITAL BUDGET OF STATES

(Lakhs of Rupees)

	1951-52	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
	(Accounts)	(Revised)	(Budget)	(Accounts)	(Accounts)	(Budget)	(Revised)
A RECEIPTS							
Permanent Debt ..	11,81	78.22	84.38	25.89	70.42	72.50	77.86
Floating Debt (a) ..	3.75	- 2.01	2.32	12.59	- 3.11	.90	- 1.86
Loans from the Centre	73.96	299.89	16.12	279.20	292.11	306.45	315.39
Other Loans (b)				6.33	17.88	11.34	15.13
Unfunded Debt (a)	2.57	6.94	8.14	8.23	5.19	8.98	9.39
Loans and Advances repaid to State Governments	24.33	28.97	35.40	53.74	40.90	47.49	51.98
Deposits and Advances and other items (a) (c)	47.17	-26.21	23.31	19.72	-31.67	42.51	41.57
Total Receipts	163.59	385.80	469.67	405.70	391.72	490.17	509.66
B DISBURSEMENTS							
CAPITAL OUTLAY							
Development—							
Multipurpose River Valley Schemes	27.59	66.80	61.63	61.79	53.40	55.76	54.01
Irrigation and Navigation	24.00	71.88	84.86	61.82	52.53	79.69	76.99
Schemes of Agricultural Improvement and Research	12	4.50	2.95	4.60	4.76	6.43	5.48
Electricity Schemes	19.94	47.92	61.25	38.13	27.14	28.06	24.84
Road Transport Buildings Roads and Water Works	1.63	2.94	3.49	2.63	2.89	3.10	3.84
Industrial Development	5.81	7.84	17.13	12.29	14.65	15.71	19.98
Others	16	1.37	1.38	78	1.16	2.07	1.72
Total Development	100.29	242.73	315.92	246.27	232.99	285.29	280.31
Non-Development—							
State Trading (a)	25.09	-14.48	- 4.66	15.85	- 38	- 1.05	6.98
Compensation to Landholders on the abolition of Zamindari	2.03	3.32	6.17	4.46	6.38	11.96	9.30
Other Financial Transactions	16	-2	29	1	20	20	22
Total Non-Development	27.28	-11.18	1.80	20.32	6.20	11.11	16.50
Total Capital Outlay (d)	127.57	231.56	317.72	266.59	239.19	296.40	296.81
Discharge of Permanent Debt	1.01	7.84	8.20	7.18	12.49	7.67	6.69
Repayments of Loans to the Centre	11.37	22.96	28.63	61.39	65.28	61.74	59.85
Other Loans (b)				7	23	1.18	6.16
Loans and Advances by State Governments	48.77	107.39	99.51	96.90	117.71	130.14	154.52
Total Disbursements	188.72	369.75	454.06	432.13	434.90	503.13	549.04
C Surplus (-) or Deficit (-) on Capital Account (A-B)	-22.13	+16.03	+15.61	-26.43	-13.18	-12.96	-39.38
							-12.77

Note —Figures given here would differ from those in budget papers as certain adjustments have been made to ensure uniformity in presentation. The figures for the year 1951-52 do not include part C States (viz Ajmer, Bhopal, Coorg, Delhi, Himachal Pradesh and Vindhya Pradesh) since they had capital budgets only from 1954-55. For 1955-56 and 1956-57, revised and budget estimates are used since later figures are not available. The figures from 1957-58 onwards relate to the reorganised States which exclude Delhi and Himachal Pradesh which are now Union Territories and include Kutch which is now a part of the Bombay State, the figures from 1957-58 also include Jammu and Kashmir. In the case of Bombay State, for the year 1959-60 (revised), budget estimates have been used.

(a) Figures are net. (b) This is a new item included from 1957-58 to show loans from National Agricultural Credit (Long-term Operations) Fund of the Reserve Bank of India, Loans from National Co-operation Department and Warehousing Board, Loans from Khadi and Village Industries Board, Employees' State Insurance Corporation, etc.

(c) Including contingency fund transactions (net). (d) Excludes appropriations to contingency fund and other funds which are adjusted under the item 'Deposits and Advances and other items'. (e) Including a credit item of Rs 68.87 lakhs in the Uttar Pradesh Budget representing the value of assets of the electricity schemes transferred to the Electricity Board; this amount has been shown as loans and advances.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 58

RAILWAY FINANCES

(Crores of Rupees)

	1950-51 (Acco- unts)	1955-56 (Acco- unts)	1956-57 (Acco- unts)	1957-58 (Acco- unts)	1958-59 (Acco- unts)	1959-60 (Budget)	1959-60 (Revised)	1960-61 (Budget)
I. Capital-at-Charge	827.04	968.98	1,071.71	1,222.44	1,356.59	1,472.67	1,442.47	1,563.29
II. Gross Traffic Receipts .	263.01	316.29	347.57	379.78	390.21	422.03	422.03	464.50
(a) Passenger	97.84	107.71	116.33	119.10	116.74	118.30	124.08	125.50
(b) Other Coaching	16.64	20.87	21.09	24.23	23.59	24.00	25.20	25.00
(c) Goods	143.01	180.28	203.96	229.67	240.82	272.58	264.00	305.00
(d) Other Earnings*	5.52	7.43	6.19	6.78	9.06	7.15	8.75	9.00
III. Total Expenses (1+2+3+4) .	215.45	265.95	289.19	321.99	330.89	346.43	352.77	388.80
1. Ordinary Working Expenses	180.23	212.95	233.94	264.17	276.33	283.71	291.92	326.90
(a) Administrative	23.36	31.52	34.74	32.17	34.30	35.42	35.66	39.01
(b) Repairs and Maintenance	57.11	78.67	86.00	90.62	91.59	92.76	95.28	106.32
(c) Operating Staff	35.41	49.73	52.80	53.82	57.14	58.00	58.41	66.22
(d) Operation (Fuel)	30.72	23.58	27.28	48.03	52.47	54.88	57.32	59.65
(e) Operation (other than Staff and Fuel)	13.35	10.19	10.65	14.86	15.65	15.69	17.55	18.42
(f) Miscellaneous	19.39	14.97	16.47	18.29	19.14	18.98	20.63	27.06
(g) Labour Welfare	3.19	5.03	5.83	6.96	7.94	9.01	9.10	10.80
(h) Suspense	-2.30	-0.74	0.17	-0.58	-1.90	-1.03	-2.03	-0.58
2. Depreciation .	30.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
3. Payments to Worked Lines	0.25	0.26	0.33	0.26	0.11	0.11	0.07	0.08
4. Miscellaneous Expenses	4.97	7.74	9.92	12.56	9.45	17.61	15.78	16.82
(a) Open Line Works	3.93	5.97	8.05	10.42	10.76	15.00	14.00	14.00
(b) Others (net)	1.04	1.77	1.87	2.14	-1.31	2.61	1.78	2.82
IV. Net Revenue (II-III)	47.56	50.34	58.38	57.78	59.32	75.60	69.26	75.70
V. Dividend to General Revenues ..	32.51	36.12	38.16	44.40	50.39	54.41	54.51	57.27
VI. Surplus (IV-V)	15.05	14.22	20.22	13.38	8.93	21.19	14.75	18.43
VII. Appropriation to:—								
(a) Development Fund	10.00	7.03	20.22	13.38	8.93	21.19	14.75	18.43
(b) Revenue Reserve Fund ,	5.05	7.14	—	—	—	—	—	—

* Include Suspense.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 59

INTEREST-BEARING OBLIGATIONS AND INTEREST-YIELDING ASSETS OF THE GOVERNMENT OF INDIA

(Crores of Rupees)

	Outstanding at the end of						
	1950-51 (Revised)	1955-56 (Revised)	1956-57 (Revised)	1957-58 (Revised)	1958-59 (Revised)	1959-60 (Revised)	1960-61 (Budget)
I. Interest-Bearing Obligations							
<i>In India</i>							
1 Loans	1,438 46	1,509 61	1,588 45	1,701 25	2,183 80	2,442 11	2,580 64
2 Treasury Bills, Ways and Means advances and Treasury Deposit receipts	373 20	711 87	865 25	1,215 70	1,275 12	1,283 32	1,460 32
3 Small Savings	326 25	574 41	638 20	692 95	776 62	862 28	950 58
4 Depreciation and Reserve Funds	155 56	186 76	215 41	166 68	113 61	101 21	88 59
5 Others	207 26	188 17	206 79	228 08	243 74	269 02	307 99
6 Total ..	2,500 73	3,170 82	3,514 10	4,004 66	4,592 89	4,957 94	5,388 12
<i>In England</i>							
7 Loans	1 35	0 59	0 56	0 55	22 12	76 63	87 41
8 Others	34 82	22 61	21 69	21 77	8 67	13 33	15 33
9 Total	36 17	23 20	22 25	22 32	30 79	89 96	102 74
10 Dollar loans	24 60	117 57	132 95	159 85	262 31	374 68	535 82
11 Loans from U.S.S.R.	—	—	6 83	15 30	40 89	55 67	63 91
12 Loans from West Germany	—	—	—	14 00	35 71	80 64	77 99
13 Loans from other foreign Sources	—	—	—	—	1 00	8 75	132 75
14 Total Interest-Bearing Obligations	2,561 50	3,311 59	3,676 13	4,216 13	4,963 59	5,567.64	6,301 33
II. Interest-Yielding Assets							
15 Capital advanced to Railways	814 13	973 66	1,072 79	1,215 70	1,343 31	1,441 62	1,562 43
16 Capital advanced to other Commercial Departments (including DVC)	90 11	112 08	150 19	164 88	186 49	206 48	228 68
17 Investment in Commercial Concerns	—	56 02	136 04	274 39	416 71	460 14	533 78
18 Capital advanced to States and other Interest-Bearing Loans	216 97	959 13	1,187 30	1,384 51	1,731 81	2,106 44	2,486 51
19 Debt due from Burma and Pakistan	348 15	300 00(a)	300 00(a)	300 00(a)	300 00(a)	300 00(a)	300 00(a)
20 Deposits with the U.K. Government for redemption of Railway Annuities	10 96	1 99	1 07	0 48	—	—	—
21 Purchase of Annuities for Sterling Pensions	200 89	65 41	59 50	55 91	20 64	20 03	19 42
22 Total Interest-Yielding Assets	1,681 21	2,468 29	2,906 89	3,395 87	3,998 96	4,534 71	5,130 82
23 Cash and Securities held on Treasury Account	141 97	50 33	50 41	50 75	57 61	55 93	55 69
24 Balance of total Interest-Bearing Obligations not covered by above Assets	738 32	792 97	718 83	769 51	907 02	977 00	1,114 82

Note.—The outstanding at the end of each year are shown in the table. The accounts for the year 1947-48 (pre-partition) and 1958-59 have not yet been closed finally and the figures have therefore been worked out on the best information available. Under unfunded debt deposits and interest yielding assets, allowance has been made on a rough basis for the share allocable to Pakistan.

As a result of the transfer of the payment of Sterling pensions to the U.K. Government with effect from 1st April 1955, the figure against 'purchase of annuities for Sterling pensions' represents only the amount recoverable from the U.K. Government and the State Governments in India.

The whole of the uncovered debt cannot be called unproductive for the large grants to states for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative and similarly the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as capital outlay on New Delhi and defence capital outlay) is not without value.

(a) Due from Pakistan only

STATEMENT 60

DEBT POSITION OF THE GOVERNMENT OF INDIA

End of March	Marketable Rupee Loans	Percent- age to Total	Treasury Bills	Percent- age to Total	Small Savings(a)	Percent- age to Total	Other Obliga- tions(b)	Percent- age to Total	External Debt	
									Total	External Debt Total of which Dollar Loans
<i>(Crores of Rupees)</i>										
1951	1,438.46	58.2	364.72(c)	14.8	326.25	13.2	342.81	13.9	2,472.24	+ 2.3 49.81 24.60
1956	1,508.67	49.2	595.25	19.4	572.96	18.7	390.29	12.7	3,067.17	+ 7.8 138.81 117.57
1957	1,633.61(d)	46.0	835.70	23.8	611.95	18.0	406.55	11.6	3,507.81	+ 14.4 160.98 132.95
1958	1,699.30(d)	41.3	1,295.12	31.5	700.64	17.0	422.37	10.3	4,117.63	+ 17.4 211.02 159.85
1959	2,180.96(d)(e)	47.2	1,225.32	26.5	780.01	16.9	937.21	9.5	4,623.50	+ 12.3 391.35 262.31
1960	2,438.23(d)(e)(f)	47.6	1,297.60	25.3	856.67	16.7	530.99	19.4	5,123.49	+ 10.8 630.50 374.68

Note—Figures are provisional, excepting those of rupee loans, and Treasury Bills

(a) Inclusive of Indian Union's share of pre-partition liabilities. (b) Including (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balances of State Provident Funds and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund etc. and (4) unclaimed balances in respect of Three-Year Interest-Free Bonds and Five-Year Interest-Free Prize Bonds. (c) Including Hyderabad State loans the liability for which was taken over by the Central Government under Section 82(1) of the States Reorganisation Act 1956. (d) Includes a special issue of the 4% loan, 1973 for Rs. 300 crores created in July 1958, which was wholly taken over by the Reserve Bank of India against cancellation of all *ad hoc* Treasury Bills and held in the Issue Department as cover against note issue. This amount has been correspondingly excluded from Treasury bills. (e) Includes further issues of the value of Rs. 150 crores created in December 1959 against conversion of Treasury Bills held by the Reserve Bank of India in their Issue Department. This amount has also been correspondingly excluded from Treasury Bills.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 61

MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS (a)

End of March	Undated	Percentage to Total	Over 10 years	Percentage to Total	Between 5 and 10 years	Percentage to Total	Under 5 years	Percentage to Total	Total (b)	(Crores of Rupees)
1951	..	257.85	17.9	519.33	36.1	342.51	23.8	318.77	22.2	1,438.46
1957 (c)	257.85	15.8	245.83	15.0	665.43	40.7	464.50	23.4	1,633.61	
1958 (c)	257.85	15.2	259.08	15.2	625.22	36.8	557.35	32.8	1,699.50	
1959 (c)	257.85	11.8	606.41	27.8	596.84	27.4	719.87	33.0	2,180.96	
1960 (c)	257.85	10.6	707.48	29.0	662.38	27.2	810.53	33.2	2,438.23	

(b) Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification, for loans not redeemed on the earlier date, estimates for all years. (c) Includes Hyderabad State loans the liability for which was taken over by Central Government on October 31, 1956 under Section 84(l) of the States Reorganisation Act, the total outstanding of Hyderabad loans at the end of March 1960 Rs 46.52 crores and Rs 38.98 crores at the end of March 1958 and March 1959 was later date has been taken.

(b) Figures are actuals as available with the Reserve Bank of India and differ from those in Statement 59 which are revised estimates for all years. (c) Includes Jammu & Kashmir from 1957-58 (a). This item shows loans from National Co-operative Development and Warehousing Board, Employees' State Insurance Corporation etc. (b) In the case of Mysore, includes the amount of Rs 4.93 lakhs on account of Inter-State Debt Settlement. (c) Include figures of Orissa as at the end of February 1960

STATEMENT 62
DEBT POSITION OF STATES

	At the End of				(Lakhs of Rupees)
	1951-52	1955-56 R E	1956-57	1957-58	
I. Public Debt—					1959-60
(a) Permanent Debt					R E (c)
(b) Floating Debt					
(c) Loans from Central Government	133.71	264.48	273.95	283.43	342.28
(d) Other Debts(a)	15.66	8.20	19.88	26.62	26.21
II. Unfunded Debt	238.34	876.07	1,094.91	1,354.95	1,575.89
III. Gross Total Debt	—	2.20	9.21	28.32	1,822.30
					37,731(6)

Note.—The figures in this statement are based on actual returns furnished by the States except in certain cases where they are based on the Budget onwards relate to reorganised States and include Jammu & Kashmir from 1957-58 (a). This item shows loans from National Co-operative Development and Warehousing Board, Employees' State Insurance Corporation etc. (b) In the case of Mysore, includes the amount of Rs 4.93 lakhs on account of Inter-State Debt Settlement. (c) Include figures of Orissa as at the end of February 1960

papers. The data for 1951-52 and 1955-56 exclude Part C States which had a separate capital account only from 1954-55. Figures from 1956-57 Khadi and Village Industries Board, Employees' State Insurance Corporation etc. (b) In the case of Mysore, includes the amount of Rs 4.93 lakhs on account of Inter-State Debt Settlement. (c) Include figures of Orissa as at the end of February 1960

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 63

GOVERNMENT OF INDIA TREASURY BILLS
(ANNUAL AND MONTHLY)

(Lakhs of Rupees)

Year	Amount offered for tender	Amount tendered	Amount sold	Sales of Intermediate Treasury bills	Total sales 3 + 4	Average rate of discount for auction sales (per cent per annum)	Amount sold in favour of the Reserve Bank at the end of the period	Amount outstanding of India (b) period (c)(d)
							7	8
	1	2	3	4	5	6		
1950-51							1,394.35	358.02
1955-56	55.50	86.25	55.50		55.50	2.52	1,994.09	595.25
1956-57	1,00(a)	1,03(a)	1,00(a)		1,00(a)	2.55(a)	2,737.58	835.70
1957-58							4,236.65	1,295.12
1958-59	81.00	122.06	81.00	5.79	86.79	2.52	4,644.56	1,225.32
1959-60	102.00	122.40	102.00	37.25	139.25	2.59	5,011.87	1,297.60
April	1959	8.00	8.00	8.00	—	2.78	490.91	1,273.62
May	"	10.00	10.85	10.00	—	2.80	417.28	1,317.88
June	"	8.00	9.33	8.00	24	2.24	396.28	1,330.71
July	"	9.00	13.90	9.00	9.20	2.68	726.44	1,305.32
August	"	8.00	9.05	8.00	2.36	10.36	2.52	241.38
September	"	9.00	10.19	9.00	5.14	14.14	2.47	329.97
October	"	10.00	13.66	10.00	10.30	20.30	2.44	666.92
November	"	8.00	14.95	8.00	7.50	15.50	2.40	273.40
December	"	8.00	8.40	8.00	28	8.28	2.37	193.92
January	1960	8.00	8.07	8.00	2.06	10.06	2.46	727.72
February	"	8.00	8.00	8.00	12	8.12	2.63	247.42
March	"	8.00	8.00	8.00	5	8.05	2.76	300.24
								1,297.60

Note.—Sales of Treasury bills to the public were suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and from April 6, 1956 to July 28, 1958.

(a) Figures relate to the issue for one week only. (b) Including creation/renewal of ad hoc Treasury bills. (c) Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) ad hocs created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U.K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) ad hocs created since 1954-55 and held in the Issue Department for replenishing the Centre's Cash balances. The outstanding of ad hocs under (iii) and (iv) above amounted to Rs 274.51 crores at the end of 1950-51, Rs 487.52 crores at the end of 1955-56, Rs 713.52 crores at the end of 1956-57, Rs 1,189.52 crores at the end of 1957-58, Rs 1,021.52 crores at the end of 1958-59 and Rs 1,020.41 crores at the end of 1959-60. (d) Excludes ad hoc Treasury bills for Rs 300 crores funded in July 1958 and Rs 150 crores funded in December 1959.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 64

GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1959-60

(Lakhs of Rupees)

SALES TO PUBLIC

Amount offered	Amount tendered	Amount sold (a)	Sales of Intermediate Treasury Bills	Total sales (3+4)	Amount discharged	Amount outstanding	Average rate of discount for auction sales (per cent per annum)	Sold in favour of the Reserve Bank of India(b)	Total Outstanding amount at the end of the period (c)
1	2	3	4	5	6	7	8	9	10

1959
Week Ended

April	3	2,00	2,00	2,00	—	2,00	—	27,50	2.76	38,93	1,223,77
"	10	2,00	2,00	2,00	—	2,00	3,00	26,50	2.78	5,38	1,219,81
"	17	2,00	2,00	2,00	—	2,00	2,00	26,50	2.78	232,56	1,251,63
"	24	2,00	2,00	2,00	—	2,00	—	28,50	2.80	135,90	1,250,04
May	1	2,00	2,05	2,00	—	2,00	4,00	26,50	2.80	355,76	1,262,30
"	8	2,00	2,25	2,00	—	2,00	2,00	26,50	2.80	87,71	1,266,16
"	15	2,00	2,00	2,00	—	2,00	.54	27,96	2.80	9,64	1,272,62
"	22	2,00	2,40	2,00	—	2,00	3,96	26,00	2.80	48,36	1,305,42
"	29	2,00	2,15	2,00	—	2,00	2,00	26,00	2.70	13,81	1,317,88
June	5	2,00	2,40	2,00	—	2,00	2,00	26,00	2.78	40,02	1,319,08
"	12	2,00	2,37	2,00	7	2,07	2,00	26,07	2.78	40,16	1,323,21
"	19	2,00	2,56	2,00	7	2,07	2,00	26,14	2.76	140,31	1,326,86
"	26	2,00	2,00	2,00	10	2,10	2,00	26,24	2.76	158,88	1,333,65
July	3	—	—	—	—	—	2,00	24,24		36,14	1,258,86
"	10	2,00	2,05	2,00	—	2,00	—	26,24	2.76	3,34	1,263,82
"	17	2,00	2,60	2,00	32	2,32	4,00	24,56	2.75	203,20	1,295,78
"	24	2,00	3,90	2,00	6,10	8,10	2,00	30,66	2.72	137,90	1,305,87
"	31	3,00	5,35	3,00	2,78	5,78	2,00	34,44	2.55	366,46	1,305,32
August	7	3,00	4,05	3,00	—	3,00	2,00	35,44	2.52	74,41	1,308,05
"	14	3,00	3,00	3,00	2,00	5,00	2,00	38,44	2.53	48,74	1,349,65
"	21	—	—	—	36	36	2,00	36,80		54,00	1,354,15
"	28	2,00	2,00	2,00	—	2,00	2,00	36,80	2.52	45,56	1,315,90
September	4	3,00	3,05	3,00	29	3,29	2,00	38,09	2.52	26,90	1,319,07
"	11	2,00	2,50	2,00	1,75	3,75	2,07	39,77	2.45	1,16	1,316,75
"	18	2,00	2,64	2,00	1,75	3,75	2,07	41,45	2.44	139,95	1,338,06
"	25	2,00	2,00	2,00	1,35	3,35	2,10	42,70	2.44	160,32	1,325,75

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 64—(Contd.)

GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1959-60

(Lakhs of Rupees)

SALES TO PUBLIC

		Amount offered	Amount tendered	Amount sold(a)	Sales of Intermediate Treasury Bills	Total sales (3+4)	Amount discharged	Amount outstanding	Average rate of discount for auction sales (per cent per annum)	Sold in favour of the Reserve Bank of India(b)	Total Outstanding at the end of the period (c)
		1	2	3	4	5	6	7	8	9	10
1959											
Week Ended											
October	2	2,00	2,00	2,00	—	2,00	—	44,70	2 44	20,53	1,327,13
"	9	2,00	2,25	2,00	—	2,00	2,00	44,70	2 44	62	1,274,41
"	16	2,00	2,03	2,00	2,45	4,45	1,90	47,25	2 44	180,78	1,304,55
"	23	2,00	3,85	2,00	6,85	8,85	8,52	47,58	2 44	158,43	1,310,41
"	30	2,00	3,53	2,00	1,00	3,00	5,78	44,80	2 42	326,90	1,283,08
November	6	2,00	2,00	2,00	—	2,00	3,00	43,80	2 42	82,14	1,289,81
"	13	2,00	4,50	2,00	1,35	3,35	5,00	42,15	2 41	63,71	1,303,13
"	20	2,00	5,45	2,00	3,20	5,20	36	46,99	2 39	64,90	1,318,87
"	27	2,00	3,00	2,00	2,95	4,95	2,00	49,94	2 37	38,11	1,314,37
December	4	2,00	2,40	2,00	5	2,05	3,29	48,70	2 34	47,60	1,333,51
"	11	2,00	2,00	2,00	18	2,18	3,75	47,13	2 37	1,84	1,332,94
"	18	2,00	2,00	2,00	5	2,05	3,75	45,43	2 37	140,49	1,331,79
"	25	2,00	2,00	2,00	—	2,00	3,35	44,08	2 39	12,32	1,177,44
1960											
January	1	—	—	—	—	—	2,00	42,08	—	16,22	1,176,13
"	8	2,00	2,00	2,00	—	2,00	2,00	42,08	2 42	15,88	1,191,38
"	15	2,00	2,05	2,00	—	2,00	4,45	39,63	2 44	221,27	1,229,42
"	22	2,00	2,00	2,00	5	2,05	8,85	32,83	2 48	168,78	1,232,97
"	29	2,00	2,02	2,00	2,01	4,01	3,00	33,84	2 50	321,79	1,228,87
February	5	2,00	2,00	2,00	—	2,00	2,00	33,84	2 54	84,61	1,231,34
"	12	2,00	2,00	2,00	5	2,05	3,35	32,54	2 58	72,71	1,239,04
"	19	2,00	2,00	2,00	—	2,00	5,20	29,34	2 67	55,61	1,226,54
"	26	2,00	2,00	2,00	7	2,07	4,95	26,46	2 75	24,90	1,210,45
March	4	2,00	2,00	2,00	—	2,00	1,73	26,73	2 75	51,07	1,214,20
"	11	2,00	2,00	2,00	—	2,00	2,50	26,23	2 76	6,42	1,218,27
"	18	2,00	2,00	2,00	5	2,05	2,05	26,23	2 76	180,10	1,257,88
"	25	2,00	2,00	2,00	—	2,00	2,00	26,23	2 76	21,16	1,266,72
As on March 31	—	—	—	—	—	—	—	26,23	—	51,10	1,297,60

(a) Represent transactions relating to the particular issue of Treasury Bills during the period (b) Including creation/renewals of ad hoc Treasury Bills (c) Excludes ad hoc Treasury Bills for Rs 300 crores funded in July 1958 and Rs 150 crores funded in December 1959

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

PRINCIPAL ITEMS OF SMALL

CURRENT INVESTMENTS

Post Office Savings Bank
Deposits12-Year National Plan
Savings Certificates(a)4% Ten-Year
Treasury Savings
Deposits
Certificates(a)

	Gross Re- ceipts	Repay- ments	Net Re- ceipts	Out- standings	Gross Re- ceipts	Repay- ments	Net Re- ceipts	Out- standings	Net Re- ceipts	Out- standings
	1	2	3	4	5	6	7	8	9	10

1 1950-51	101,06	84,80	16,26	61,36	—	—	—	—	—	—
2 1955-56	158,11	121,14	36,97	167,85	—	—	—	—	—	—
3 1956-57	176,97	148,32	28,65	196,50	—	—	—	—	—	—
4 1957-58	179,87	162,46	17,41	213,91	71,47	3	71,44	71,44	5,47	5,47
5 1958-59	191,75	170,75	21,00	234,91	87,45	6,11	81,34	152,78	6,21	11,68
6 1959-60*	201,47	181,44	20,03	254,94	83,10	14,25	68,85	221,63	10,08	21,76
7 April 1958	15,27	14,94	33	214,24	6,56	—	6,56	78,00	68	6,15
8 May	15,22	16,80	-1,58	212,66	5,84	1	5,83	83,83	57	6,72
9 June	14,51	14,12	39	213,05	5,03	5	4,98	88,81	40	7,12
10 July	16,04	13,96	2,08	215,13	5,94	9	5,85	94,66	51	7,63
11 August	14,40	12,32	2,08	217,21	6,20	13	6,07	100,73	48	8,11
12 September	14,06	12,93	1,13	218,34	5,92	19	5,73	106,46	44	8,55
13 October	14,37	13,75	62	218,96	7,05	20	6,85	113,31	50	9,05
14 November	12,52	12,78	-26	218,70	6,36	33	6,03	119,34	53	9,58
15 December	14,83	14,49	34	219,04	7,84	48	7,36	126,70	43	10,01
16 January 1959	14,37	14,72	-35	218,69	9,07	76	8,31	135,01	59	10,60
17 February	14,93	14,25	68	219,37	9,64	1,50	8,14	143,15	54	11,14
18 March	31,23	15,69	15,54	234,91	12,00	2,37	9,63	152,78	54	11,68
19 April	16,39	16,41	—2	234,89	6,36	1,53	4,83	157,61	58	12,26
20 May	15,68	17,74	-2,06	232,83	5,71	1,00	4,71	162,32	53	12,79
21 June	15,88	16,49	-61	232,22	6,03	81	5,22	167,54	40	13,19
22 July	17,23	14,15	3,08	235,20	6,17	88	5,29	172,83	47	13,66
23 August	15,12	13,36	1,76	237,06	6,04	76	5,28	178,11	53	14,19
24 September	15,23	13,43	1,80	238,86	6,37	90	5,47	183,58	97	15,16
25 October	14,31	13,96	35	239,21	5,66	88	4,78	188,36	99	16,15
26 November	14,54	13,68	86	240,07	6,19	89	5,30	193,66	1,20	17,35
27 December	15,76	15,17	59	240,66	6,72	1,03	5,69	199,35	1,20	18,55
28 January 1960	15,15	14,90	25	240,91	7,19	1,31	5,88	205,23	1,22	19,77
29 February	16,94	15,61	1,33	242,24	7,57	1,85	5,72	210,95	1,02	20,79
30 March	29,24	16,54	12,70	254,94	13,09	2,41	10,68	221,63	97	21,76

Note.—Outstandings relate to end of period and do not include the Indian Union's share of prepartition liabilities;

* Figures are provisional, constituent items, therefore, do not necessarily add up to the totals. Later data, which

(a) Issued from June 1, 1957 (b) Relate to first series issued from July 1954 to December 1957 and to second Five-year National Savings Certificates, the last being discontinued with effect from July 1, 1953 and the others from June since August 15, 1947 (g) No sales from June 1, 1957 (h) Outstandings in respect of items in column 17 are not

REPORT ON CURRENCY AND FINANCE, 1959-60

MENT 65

SAVINGS (ANNUAL AND MONTHLY)

(Lakhs of Rupees)

EXISTING SERIES

				OLD SERIES (DISCHARGES) OUTSTANDINGS AS AT THE END OF THE PERIOD							Total		
15-Year Annuity Certificates (b)		Cumulative Time Deposits(c)		National Savings Certificates(d)	10-Year National Plan Certificates(e)	Post- Office & Defence Savings Certificates & Defence Savings Deposits (f)	3½% Ten- Year Treasury Savings Deposit Certificates(g)	Total Net Receipts	Total Out- stand- ings (h)				
Net Receipts	Outstand- ings	Net Receipts	Outstand- ings	11	12	13	14	15	16	17	18	19	20
—	—	—	—	57,91	—	—22,32	5,31	38,91	124,58	—	—	—	—
41	95	—	—	153,61	16,38	—37,68	41,25	69,76	380,04	2	—	—	—
37	1,32	—	—	172,69	25,38	—38,82	44,28	60,13	440,17	3	—	—	—
55	1,87	—	—	150,43	23,12	—39,74	43,58	69,64	509,82	4	—	—	—
54	2,41	5	5	124,66	21,02	—40,67	42,57	80,26	590,08	5	—	—	—
50	2,90	75	81	103,85	19,79	—41,29	41,68	77,27	667,36	6	—	—	—
10	1,97	—	—	148,14	22,86	—39,83	43,47	5,01	514,83	7	—	—	—
4	2,01	—	—	145,88	22,59	—39,91	43,37	2,23	517,06	8	—	—	—
2	2,03	—	—	143,96	22,40	—39,99	43,29	3,60	520,66	9	—	—	—
4	2,07	—	—	141,57	22,20	—40,06	43,17	5,77	526,43	10	—	—	—
4	2,10	—	—	139,57	22,03	—40,13	43,07	6,39	532,82	11	—	—	—
4	2,15	—	—	137,52	21,87	—40,22	42,99	5,06	537,88	12	—	—	—
3	2,17	—	—	135,11	21,70	—40,30	42,91	5,33	543,21	13	—	—	—
6	2,23	—	—	133,17	21,57	—40,36	42,81	4,19	547,40	14	—	—	—
5	2,28	—	—	130,89	21,42	—40,43	42,76	5,70	553,10	15	—	—	—
4	2,32	1	1	128,59	21,28	—40,51	42,70	6,10	559,20	16	—	—	—
4	2,36	2	3	126,64	21,14	—40,59	42,62	7,25	566,45	17	—	—	—
5	2,41	2	5	124,66	21,02	—40,67	42,57	23,63	590,08	18	—	—	—
10	2,50	3	8	122,70	20,89	—40,72	42,49	3,34	593,42	19	—	—	—
4	2,54	3	11	121,05	20,77	—40,78	42,39	1,38	594,80	20	—	—	—
2	2,56	3	14	119,43	20,62	—40,85	42,33	3,23	598,03	21	—	—	—
7	2,62	5	19	117,59	20,53	—40,88	42,25	6,94	604,97	22	—	—	—
2	2,64	5	24	115,80	20,44	—40,94	42,19	5,70	610,67	23	—	—	—
4	2,67	6	30	114,10	20,36	—41,01	42,10	6,46	617,13	24	—	—	—
4	2,71	6	36	112,54	20,28	—41,07	42,04	4,52	621,65	25	—	—	—
2	2,73	7	43	110,91	20,17	—41,14	41,96	5,63	627,28	26	—	—	—
5	2,77	8	51	109,07	20,06	—41,20	41,90	5,59	632,87	27	—	—	—
4	2,81	8	59	107,41	19,96	—41,27	41,84	5,65	638,52	28	—	—	—
4	2,86	9	68	105,84	19,87	—41,27	41,75	6,45	644,98	29	—	—	—
5	2,90	12	81	103,85	19,79	—41,29	41,68	22,38	667,36	30	—	—	—

repayments, however, include those from the prepayment holdings of Indian investors
are also provisional, place net receipts from small savings at about Rs 84 crores (including accrued interest) for 1959-60.
series issued from January 1958 (c) Commenced from January 2, 1959. (d) Include Twelve-year, Seven-year and
I, 1957 (e) Issued from May 10, 1954 to May 30, 1957. (f) Represent progressive net repayments at the end of period
included

STATEMENT 66

MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1959-60

REPORT ON CURRENCY AND FINANCE, 1959-60

Description of Loan	Amount of issue (Rs. crores)	Period of Maturity (No. of years)	Issue Price Rs	Redemp- tion yield at issue price (%)	Subscriptions Accepted (Rs Crores)		Total Amount	Repay- ment in borrowing cash of mainning Loans (Rs. crores)	Net Repay- ment in borrowing (Rs crores) (7-11)
					Amount subscribed (Rs crores)	Cash Conversion Amount			
1	2	3	4	5	6	7	8	9	10
Central Government	150 00				1956-57		80 52	157 73	— + 77 21
State Governments	64 00				157 73	77 21	2 18	68 71	3 00 + 63 53
Central and State Governments	214 00				74 23	66 53	82 70	226 44	3 00 + 140 74
Central Government	130 00				1957-58		45 08	136 17	25 16 + 65 93
State Governments	9 00				136 17	91 09	1 33	3 77	+ 4 81
Central and State Governments	139 00				12 52	8 58	46 41	146 08	28 93 + 70 74
Central Government	195 00				1958-59		9 36	201 81	11 59 + 180 86
State Governments	50 00				201 87	192 45	5 24	54 42	3 19 + 45 99
Central and State Governments	245 00				65 84	49 18	14 60	256 23	14 78 + 226 85
Central Government :					257 71	241 63			
3½% Bonds, 1969					10	98 85	3 64	183 97	78 05 } 2½% Second Victory Loan 1959-61
4 % Loan, 1979					20	100 00	4 00	16 41	24 86 } 2½% Hyderabad Loan 1954-59
3½% Bonds, 1969					175 00				64 65 } 81 06
3½% Loan, 1974					25 00	10	99 40	3 58	— 25 00
Total of Central Government :	229 00				20 00	15	99 65	3 78	— 20 00
					228 97		14 60	147 8	— + 20 00
					228 97				+ 106 71
					89 51				+ 61 75 }

REPORT ON CURRENCY AND FINANCE, 1959-60

State Governments									
4% Andhra Pradesh State Development Loan, 1971	6 00	12	99 50	4 05	12 07	6 54	—	6 54	+ 6 54
4% Assam Loan, 1971	2 59	12	99 00	4 11	2 76	2 76	—	2 76	+ 2 76
4% Bihar State Development Loan, 1971	3 00	12	99 50	4 05	3 33	3 33	—	3 33	+ 3 33
4% Bombay State Development Loan, 1971	6 00	12	100 00	4 00	17 55	6 56	—	6 56	+ 6 42
4% Kerala State Development Loan, 1971	4 00	12	99 00	4 11	4 75	4 38	—	4 38	+ 4 38
4% Madhya Pradesh State Development Loan, 1971	3 00	12	99 00	4 11	5 14	3 25	—	3 25	+ 3 25
4% ^a Madhya Pradesh State Development Loan, 1971 (Second Issue)	2 00	12	99 75	4 03	2 03	2 03	—	2 03	+ 2 03
4% Madras Loan, 1971	8 00	12	99 50	4 05	10 99	8 20	3% Madras Loan, 1959	8 77	0 71 + 7 49
4% Mysore State Development Loan, 1971	5 00	12	99 50	4 05	8 89	5 43	—	5 43	+ 5 43
4% Orissa Government Loan, 1971	3 50	12	99 00	4 11	4 99	3 82	—	3 82	+ 3 82
4% Punjab Loan, 1971	2 00	12	99 00	4 11	3 00	2 18	—	2 18	+ 2 18
4% Rajasthan State Development Loan, 1971	3 50	12	99 50	4 05	4 79	3 82	—	3 82	+ 3 82
4% Uttar Pradesh State Development Loan, 1971	8 00	12	99 50	4 05	12 93	8 87	—	8 87	+ 8 87
4% West Bengal Loan, 1971	7 00	12	99 50	4 05	9 16	7 70	—	7 70	+ 7 70
Total of State Governments	63 50				102 38	68 88	0 57	69 45	0 85 + 68 03
Total of Central and State Governments	283 50				331 35	208 34	90 08	298 42	33 60 + 174 74

(a) The entire amount of the issue was initially taken up by the Reserve Bank of India

Note.—The Statement excludes (i) further issues of the value of Rs 150 crores created in December 1959 against conversion of Treasury Bills held by the Reserve Bank of India in their Issue Department, (ii) issues and repayments of 34 per cent Uttar Pradesh Encumbered Estates Act Bonds and 21 per cent Uttar Pradesh Zamindari Abolition Compensation and Rehabilitation Grant Bonds and of 21 per cent Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds and issues of 3 per cent Bombay Land Tenure Abolition Acts Compensation Bonds, total issues and repayments of these during 1959-60 amounted, respectively, to Rs 22 60 crores and Rs 3 64 crores.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 67

**CENTRAL AND STATE GOVERNMENT LOANS
(OUTSTANDINGS AS ON MARCH 31, 1960)**

(Thousands of Rupees)

Central Government Loans		Amount Outstanding
2½%	Loan, 1960	45,63,07
4 ½%	Loan, 1960-70	63,30,26
3½%	National Plan Bonds, 1961	75,29,00
2½%	Loan, 1961	57,00,69
3 ½%	Bonds, 1962	1,07,27,36
2½%	Loan, 1962	75,86,72
3 ½%	Bonds, 1963	58,05,92
3 ½%	Loan, 1963-65	1,16,17,46
3 ½%	National Plan Loan, 1964	1,58,17,94
3 ½%	Loan, 1964	30,33,10
3 ½%	National Plan Bonds (Second Series), 1965	1,53,67,92
3 ½%	Funding Loan, 1966-68	1,10,11,78
3 ½%	National Plan Bonds (Third Series), 1967	93,81,83
3 ½%	National Plan Bonds (Fourth Series), 1967	56,99,30
3 ½%	National Plan Bonds (Fifth Series), 1968	34,33,90
3 ½%	Loan, 1968	70,00,00
3 ½%	Bonds, 1969	1,37,90,93
3 ½%	First Development Loan, 1970-75	1,15,05,83
4 ½%	Loan, 1972	49,17,27
4 ½%	Loan, 1973	49,51,44
4 ½%	Loan, 1973 (Ad-hoc Issue)	3,00,00,00
3 ½%	Loan, 1974	86,63,53
2 ½%	Loan, 1976	14,77,48
4 ½%	Loan, 1979	81,06,38
3 ½%	Bhopal Loan, 1966-76	1,21,73
4 ½%	Hyderabad Development Loan, 1963	3,34,71
1 ½%	Hyderabad Loan, 1964	3,85,71
4 ½%	Hyderabad Development Loan, 1967	2,12,46
4 ½%	Hyderabad Development Loan, 1968	2,18,02
2 ½%	Hyderabad Loan, 1974	4,40,00
3 ½%	Hyderabad Loan, 1951-61	6,59,00
2 ½%	Hyderabad Loan, 1953-63	5,38,42
2 ½%	Hyderabad Loan, 1955-60	4,23,61
2 ½%	Hyderabad Loan, 1975	6,85,71
3 ½%	Conversion, 1986 or later	2,43,91,33
3 ½%	Non-terminable Loan, 1896-97	8,93,33
		24,38,23,13
Loans not bearing interest		
Central Government Loans		3,51,02
Hyderabad Loans		34,28
	TOTAL	24,42,08,43
State Government Loans		
ANDHRA PRADESH		
4 %	Andhra State Development Loan, 1967	5,00,16
4 %	Andhra State Development Loan, 1968	6,56,15
4 ½%	Andhra State Development Loan, 1970	5,48,92
4 %	Andhra State Development Loan, 1971	6,57,72
	TOTAL	23,62,95

Note.—(1) The liability for Hyderabad State loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States' Reorganization Act. The outstanding balances of Hyderabad loan in O S Currency have been converted into India Government Currency at the rate of 1 G Rs 6 = O S Rs 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangement with the Reserve Bank of India.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 67—(Contd.)

**CENTRAL AND STATE GOVERNMENT LOANS
(OUTSTANDINGS AS ON MARCH 31, 1960)**

(Thousands of Rupees)

	Amount Outstanding
State Government Loans—(Contd.)	
ASSAM	
4 % Assam Loan, 1971	2,76,40
BIHAR	
4 % Bihar State Development Loan, 1963	1,31,29
4 % Bihar State Development Loan, 1967	1,54,02
4 % Bihar State Development Loan, 1968	2,13,41
4½% Bihar State Development Loan, 1970	2,76,71
4 % Bihar State Development Loan, 1971	3,33,22
TO TAL	11,08,64
BOMBAY	
3 % Porbandar Water Project Loan, 1950-75	35,00
3 % Bombay State Development Loan, 1960	2,63,91
3 % Bombay Tapi Irrigation Development Loan, 1961	67,73
3 % Bombay Provincial Development Loan, 1962	5,29,97
3½% Bombay State Development Loan, 1962	2,82,97
4 % Bombay State Development Loan, 1963	5,10,80
4 % Saurashtra State Development Loan, 1963	1,11,12
4 % Bombay State Development Loan, 1964	3,40,34
4 % Saurashtra State (Local Bodies Development) Loan, 1964	2,50,94
4 % Bombay State Development Loan, 1967	9,36,29
4 % Saurashtra State Development Loan, 1967	3,50,81
4 % Saurashtra State Development Loan, 1968	2,66,68
4½% Bombay State Development Loan, 1969	6,57,23
4½% Bombay State Development Loan, 1970	6,58,21
4 % Bombay State Development Loan, 1970	7,82,20
4½% Bombay State Development Loan, 1971	4,35,25
4 % Bombay Loan, 1971	6,58,13
3 % Bombay Land Tenure Abolition Acts Compensation Bonds	1,18,72
Loans not bearing interest	72,76,29
TOTAL	13,56
72,89,85	
KERALA	
3½% Cochin Loan, 1956-61	30,00
4 % Travancore-Cochin State Development Loan, 1963	3,25,61
4 % Travancore-Cochin State Development Loan, 1968	2,22,08
4½% Kerala State Development Loan, 1970	3,27,10
4 % Kerala State Development Loan, 1971	4,47,05
Loans not bearing interest	13,51,84
TOTAL	7,85
13,59,69	

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 67—(Contd.)

**CENTRAL AND STATE GOVERNMENT LOANS
(OUTSTANDINGS AS ON MARCH 31, 1960)**

(Thousands of Rupees)

State Government Loans—(Contd.)		Amount Outstanding
MADHYA PRADESH		
3 % Madhya Pradesh Loan, 1960		1,01,45
3 % Madhya Pradesh Loan, 1962		1,02,18
4 % Madhya Bharat State Development Loan, 1963		1,04,77
4 % Madhya Pradesh State Development Loan, 1963		1,10,18
3 % Madhya Pradesh State Development Loan, 1964		2,03,29
4 % Madhya Pradesh State Development Loan, 1967		1,63,12
4 % Madhya Pradesh State Development Loan, 1968		1,58,42
4 % Madhya Bharat State Development Loan, 1968		1,11,26
4 % Madhya Pradesh State Development Loan, 1970		2,21,30
4 % Madhya Pradesh State Development Loan, 1971		5,27,37
		18,03,33
Loans not bearing interest		1
	TOTAL	18,03,34
MADRAS		
3 % Madras Development Bonds, 1960		4,38,25
3 % Madras Loan, 1960		2,78,44
24 % Madras Loan, 1961		3,81,77
33 % Madras Loan, 1962		3,01,49
4 % Madras Loan, 1963		10,33,71
4 % Madras Loan, 1964		5,24,81
4 % Madras Loan, 1967		10,47,17
4 % Madras Loan, 1968		13,81,56
4 % Madras Loan, 1970		5,55,57
4 % Madras Loan, 1971		8,72,72
		68,17,49
Loans not bearing interest		4,19
	TOTAL	68,21,68
MYSORE		
4 % Mysore Loan, 1953-63		2,95,85
3 % Mysore Loan, 1956-61		5,99,73
4 % Mysore State Development Loan, 1963		3,33,47
4 % Mysore State Development Loan, 1967		3,54,94
4 % Mysore State Development Loan, 1968		4,11,11
41 % Mysore State Development Loan, 1969		3,34,36
41 % Mysore State Development Loan, 1970		5,51,62
4 % Mysore State Development Loan, 1971		5,43,46
		34,24,55
Loans not bearing interest		6,48
	TOTAL	34,31,03
ORISSA		
4 % Orissa Government Loan, 1968		3,09,34
41 % Orissa State Development Loan, 1970		3,28,58
4 % Orissa Loan, 1971		3,82,30
		10,20,22

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 67—(Concl'd.)

CENTRAL AND STATE GOVERNMENT LOANS
(OUTSTANDINGS AS ON MARCH 31, 1960)

(Thousands of Rupees)

State Government Loans—(Concl'd.)		Amount Outstanding
PUNJAB		
4 % Punjab Government Loan, 1968		2,03,86
4 % Punjab Government Loan, 1971		2,18,87
	TOTAL	4,22,73
RAJASTHAN		
4 % Rajasthan State Development Loan, 1968		3,14,19
4½ % Rajasthan State Development Loan, 1970		2,79,88
4 % Rajasthan Loan, 1971		3,84,19
2½ % Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds		9,76,10
	TOTAL	19,54,35
UTTAR PRADESH		
3 % Uttar Pradesh Loan, 1960		2,15,84
2½ % Uttar Pradesh Loan, 1961		2,12,62
3 % Uttar Pradesh Loan, 1961-66		1,55,31
3½ % Uttar Pradesh Loan, 1962		1,86,22
4 % Uttar Pradesh Loan, 1963		5,53,25
4 % Uttar Pradesh Loan, 1964		5,89,14
4 % Uttar Pradesh Loan, 1967		9,10,71
4 % Uttar Pradesh Loan, 1968		8,48,26
4½ % Uttar Pradesh State Development Loan, 1970		7,65,59
4 % Uttar Pradesh State Development Loan, 1971		8,88,86
3½ % U P E E Act Bonds		1,40,84
2½ % U P Z A Compensation Bonds		44,93,89
2½ % U P Z A R G Bonds		29,60,05
Loans not bearing interest		1,29,25,58
	TOTAL	1,29,28,81
WEST BENGAL		
3½ % West Bengal Government Loan, 1962		1,75,00
4 % West Bengal Government Loan, 1963		3,60,23
4 % West Bengal Government Loan, 1964		2,00,00
4 % West Bengal Government Loan, 1967		7,58,72
4 % West Bengal Government Loan, 1968		7,11,46
4½ % West Bengal Government Loan, 1970		5,10,50
4 % West Bengal Government Loan, 1971		7,69,62
	TOTAL	34,85,54
TOTAL OF ALL STATES		
Loans bearing interest		4,42,29,91
Loans not bearing interest		35,32
	TOTAL	4,42,65,23

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 68

GOVERNMENT BALANCES IN INDIA WITH THE RESERVE BANK OF INDIA AND AT GOVERNMENT TREASURIES

(Lakhs of Rupees)

	Reserve Bank of India		End of	Government Treasuries				
	Central Government 1958-59	State Governments 1959-60		Central Government		State Governments		
				1958-59	1959-60	1958-59	1959-60	
10,76	64,77	3,96	10,55	April	21	18	7,43	
47,42	63,23	7	12,39	May	28	29	6,20	
44,03	44,60	15,79	14,95	June	19	17	6,35	
70,33	61,03	23,46	15,28	July	12	12	6,05	
69,25	80,04	19,74	27,95	August	22	31	5,25	
50,87	63,47	24,27	6,11	September	22	32	5,51	
69,94	44,91	23,13	1,98	October	33	16	5,48	
67,46	32,46	14,11	20,89	November	23	27	5,83	
63,41	64,76	10,25	15,93	December	14	18	5,90	
67,03	52,09	21,46	18,36	January	-	29	8,41	
49,32	35,16	16,31	36,67	February	33	14	6,83	
34,87	72,28	- 2,93	- 20,56	March	- 46	- 3,46	7,01	

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 69

INDIA'S FOREIGN EXCHANGE RESERVES

(Lakhs of Rupees)

End of		Assets(a)	Movement (Increase + decrease -)
1950-51		951.41	+ 28.55
1955-56		824.61	+ 10.47
1956-57(b)		681.10	-143.51
1957-58(b)		421.22	-259.88
1958-59		378.92	- 42.30
1959-60		362.87	- 16.05
April	1958	416.95	- 4.27
May	"	395.93	- 21.02
June	"	371.71	- 24.22
July	"	346.09	- 25.62
August	"	340.59	- 5.50
September	"	334.96	- 5.63
October	"	330.16	- 4.80
November	"	335.85	+ 5.69
December	"	343.92	+ 8.07
January	1959	346.85	+ 2.93
February	"	370.91	+ 24.06
March	"	378.92	+ 8.01
April	"	366.75	- 12.17
May	"	361.02	- 5.73
June	"	356.30	- 4.72
July	"	349.30	- 7.00
August	"	351.68	+ 2.38
September	"	351.82	+ 14
October	"	372.66	+ 20.84
November	"	377.36	+ 4.70
December	"	387.54	+ 10.18
January	1960	386.47	- 1.07
February	"	367.42	- 19.05
March	"	362.87	- 4.55

(a) Include (i) 71 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956 at Rs 21.24 per tola and at Rs 62.50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956, (ii) foreign assets of the Reserve Bank of India and (iii) Government balances held abroad.

(b) Include net borrowing from the I M F. of \$115 million (Rs 55 crores) during 1956-57 and the stand-by credit of \$72.5 million (Rs 34.5 crores) during 1957-58.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 70

INDIA'S OVERALL BALANCE OF PAYMENTS, 1959-60

A. CURRENT ACCOUNT

(Crates of Rupees)

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			Year 1959-60 (Preliminary)			
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	
1. Merchandise (Exports <i>f.o.b.</i>)																
Imports <i>c.i.f.</i>																
A Private (a)	135.4	133.8	+ 1.6	148.6	124.0	+ 24.6	178.8	118.6	+ 60.2	155.2	130.9	+ 24.3	618.0	507.3	+ 110.7	
B Government (b)	0.7	109.0	-108.3	1.1	106.3	-105.2	2.3	79.8	-77.5	1.2	121.3	-120.1	1.2	5.3	416.4	-411.1
2 Non-monetary gold movement	—	—	—	—	—	—	5.9	—	+ 5.9	—	—	—	5.9	—	—	+ 5.9
3 Foreign Travel (c)	1.1	2.5	- 1.4	0.8	3.2	- 2.4	1.1	1.9	- 0.8	1.4	1.9	- 0.5	4.4	9.5	-	5.1
4 Transportation (d)	10.7	4.5	+ 6.2	10.5	5.4	+ 5.1	11.2	5.3	+ 5.9	10.6	5.1	+ 5.5	41.0	20.3	+	22.7
5 Insurance (d)	2.1	1.3	+ 0.8	1.8	1.7	+ 0.1	2.3	1.3	+ 1.0	1.8	1.1	+ 0.7	8.0	5.4	+	2.6
6 Investment Income (e)	2.8	8.2	- 5.4	3.6	7.7	- 4.1	2.6	10.9	- 8.3	4.8	11.6	- 6.8	13.8	38.4	-	34.6
7 Government, not included elsewhere (f)	13.0	3.8	+ 9.2	10.6	4.2	+ 6.4	19.0	3.0	+ 16.0	11.9	3.0	+ 8.9	54.5	14.0	+	40.5
8 Miscellaneous (g)	7.4	4.6	+ 2.8	6.9	5.5	+ 1.4	7.5	5.8	+ 1.7	6.5	7.7	- 1.2	28.3	23.6	+	4.7
9 Donations																
(i) Official (h)	8.4	—	+ 8.4	12.6	—	+ 12.6	8.2	—	+ 8.2	6.4	—	+ 6.4	35.6	—	+ 35.6	
(ii) Private (i)	14.4	4.7	+ 9.7	13.4	3.9	+ 9.5	13.2	3.8	+ 9.4	12.4	3.7	+ 8.7	53.4	16.1	+	37.3
10. Total Current Transactions	196.0	272.4	- 76.4	209.9	261.9	- 52.0	252.1	230.4	+ 21.7	212.2	286.3	- 74.1	370.2	1051.0	-	180.8
Errors and Omissions																
	- 9.8	- 9.8		- 0.9	- 0.9		- 10.4	- 10.4		- 0.1	- 0.1		- 21.2			

(a) Includes upto June 1959 estimates of unrecorded imports paid for with Indian currency notes. (b) Transactions under Government barter deals, if any, have not been included. (c) Data for receipts are incomplete. (d) Receipts cover estimated amounts for reimbursement of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports etc. and payments include operating expenses abroad of Indian steamship companies and some freight and insurance payments. It may be noted that these items are not or less complete on the receipts side but in regard to payments only a portion of the expenditure is entered here. Payments for imports are recorded on a *c.i.f.* basis and therefore they include all but a small portion of expenditure on account of 'Transportation' and 'Insurance'. (e) Receipts include interest on investments of the Reserve Bank of India (f) The payments figures represent disbursements of the Government, e.g., for the upkeep of its organisations abroad and contributions to international organisations. (g) Covers receipts and payments mainly for services, e.g., for film rentals, technicians and agency services. (h) Represents contra entries for imports financed by and received under the Colombo Plan, Indo-American Technical Co-operation Agreement and cash receipts from the Ford Foundation. (i) Comprises unilateral transfers like migrants' transfers and personal and institutional remittances like family maintenance allowances, upkeep of religious missions, etc.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 70—(Contd.)
INDIA'S OVERALL BALANCE OF PAYMENTS, 1959-60—(Contd.)

B. CAPITAL ACCOUNT

Net credit (+), Net debit (-)

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			Year : 1959-60 (Preliminary)					
	Credits	Debits	Net	Credits	Debits	Net	Credit	Debits	Net	Credit	Debits	Net	Credit	Debits	Net			
I. Private (a)																		
1. Long-term ..	..	1.5	9.4	-	7.9	3.5	3.8	-	0.3	11.4	2.6	+ 8.8	1.9	9.0	- 7.1	18.3	24.8	- 0.5
2. Short-term ..	..	1.8	1.9	-	0.1	0.6	1.4	-	0.8	0.4	3.0	- 2.6	4.4	0.6	+ 3.8	7.2	6.9	+ 0.3
II. Banking (b) ..	..	6.2	4.3	+ 1.7	7.5	5.0	+ 2.5	4.2	7.8	- 3.6	9.5	2.5	+ 7.0	27.4	19.6	+ 7.8		
III. Official (c)																		
1. Loans (d) ..	..	38.3	—	+ 19.3	45.7	—	+ 41.7	47.5	—	+ 47.5	54.0	23.8	+ 30.2	185.5	23.8	+ 161.7		
2. Amortisation (e) ..	—	0.5	- 0.5	—	0.6	- 0.6	0.3	1.7	- 1.4	0.2	6.5	- 0.3	0.5	9.3	—	8.8		
3. Miscellaneous (f) ..	37.8	5.9	+ 31.9	22.6	20.7	- 1.9	79.2	103.5	- 24.3	26.3	4.4	+ 22.9	165.9	134.5	+ 31.4			
4. Reserves (g) ..	24.9	2.3	+ 22.6	14.5	10.0	+ 4.5	—	35.7	- 35.7	24.7	—	+ 21.7	64.1	48.0	+ 16.2			
IV. Total Capital and Monetary Gold ..	110.5	24.3	+ 86.2	94.4	41.5	+ 52.9	143.0	154.3	- 11.3	121.0	46.8	+ 74.2	468.9	266.9	+ 202.0			

(a) Non-banking

(b) Excluding RBI. (c) Including RBI. (d) Credits represent utilization of various foreign loans and credits obtained by the country viz., loans from I.B.R.D., U.S. Export-Import Bank, Development Loan Fund, the Japanese Yen credit, U.K.—India Oil Pipeline credit, credits arranged for the steel plants at Bhilai and Rourkela from the U.S.S.R. and W Germany respectively, the Russian credit for industrial enterprises, West German credit for capital goods, U.S. banks' loan to A.I.I., E.C.G.D. and Lazard Bros. credits from the U.K. and loans under P.L. 480 and T.C.A. programmes. The entry on the debit side relates to the repurchase of rupees from the I.M.F. (e) Entries on the debit side relate to repayment of I.B.R.D., D.L.F. loans and Bhilai credit and on the credit side the entry, relates to a receipt from Burma Government's share of Divisible Central Pensions in terms of India-Burma Debt Settlement Agreement, 1955. (f) Includes changes in the P.L. 480 and P.L. 665 balances and the rupee liabilities of the R.B.I. to non-resident official and semi-official institutions. The debit side includes payments of additional subscription to the I.M.F. in September-October 1959. (g) Cover changes in the foreign exchange assets of the R.B.I. and the Government and the gold holdings of the former

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 7I

INDIA'S BALANCE OF PAYMENTS

Current Account : Region-wise Summary

(Crores of Rupees)

	1950-51	1955-56	1956-57	1957-58	1958-59 (Revised)	1959-60 (Preliminary)
All Areas						
Imports c i f	650 3	761 4	1099 5	1233 6	1029 6	923 7
Exports f o b	646 8	640 2	635 2	668 5(a)	575 9	623 3
Trade Balance	- 3 5	- 121 2	- 464 3	- 565 1	- 453 7	- 300 4
Official Donations	+ 2 1	+ 45 0	+ 39 5	+ 34 1	+ 34 4	+ 35 6
Other Invisibles (Net)	+ 40 3	+ 88 5	+ 112 5	+ 104 0	+ 91 7	+ 84 0(d)
Current Account (Net)	- 38 9	+ 12 3	- 312 3	- 427 0	- 327 6	- 180 8
Sterling Area						
Imports c i f	330 2	361 2	466 5	450 7	378 4	401 0
Exports f o b	351 4	330 9	332 6	298 0	300 4	294 7
Trade Balance	+ 21 2	- 30 3	- 133 9	- 152 7	- 78 0	- 106 3
Official Donations	-	- 0 1	- 2 1	+ 5 4	+ 1 8	- 0 7
Other Invisibles (Net)	- 51 8	- 74 4	- 93 9	- 75 5	+ 57 2	+ 48 2
Current Account (Net)	+ 73 0	+ 44 2	- 37 9	- 71 8	- 19 0	- 57 4
Dollar Area						
Imports c i f	138 9	132 2	209 5	283 2	244 9	226 5
Exports f o b	168 1	120 4	121 0	192 5(a)	104 4	117 6
Trade Balance	- 29 2	- 11 8	- 88 5	- 90 7	- 140 5	- 108 9
Official Donations	+ 2 1	- 44 9	- 37 2	+ 28 6	+ 32 6	+ 34 7
Other Invisibles (Net)	- 1 8	+ 6 1	+ 6 8	+ 14 4	+ 26 6	- 31 7(d)
Current Account (Net)	- 29 5	+ 39 2	- 44 5	- 47 7	- 81 3	- 42 5
O.E.C Countries (b)						
Imports c i f	154 3	262 3	314 1	213 8	160 5	
Exports f o b	72 5	62 6	57 4	50 8	60 2	
Trade Balance	- 81 8	- 199 7	- 256 7	- 163 0	- 100 3	
Official Donations	-	+ 0 1	+ 0 1	-	-	0 1
Other Invisibles (Net)	- 2 7	- 0 3	+ 0 8	- 4 3	- 5 8	
Current Account (Net)	- 84 5	- 199 9	- 255 8	- 167 3	- 106 0	
Rest of Non-Sterling Area (c)						
Imports c i f	181 2	113 7	161 2	185 6	192 5	135 7
Exports f o b	127 3	116 4	119 0	120 6	120 3	150 8
Trade Balance	- 53 9	+ 2 7	- 42 2	- 65 0	- 72 2	+ 15 1
Official Donations	-	-	+ 0 1	-	-	0 1
Other Invisibles (Net)	- 9 7	+ 10 7	- 12 1	+ 13 3	+ 12 2	+ 9 9
Current Account (Net)	- 63 6	+ 13 4	- 30 0	- 51 7	- 60 0	+ 25 1

(a) Includes silver despatched to the U.S.A. and delivered to the American Embassy valued at Rs. 74 4 crores in fulfilment of the lend-lease obligations.

(b) Include transactions with their associated territories upto June 1955

(c) Including O E E C countries in 1950-51

(d) Includes non-monetary gold movement valued at Rs. 5 9 crores.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 72

INDIA'S BALANCE OF PAYMENTS, 1959-60
CURRENT ACCOUNT. REGION-WISE
STERLING AREA

(Crores of Rupees)

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			Year 1959-60 (Preliminary)		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
1. Merchandise (Exports <i>et al.</i>)															
Imports <i>c/f.</i>															
(i) Private ..	60.4	70.2	-9.8	71.5	67.6	+3.9	91.1	61.1	+30.0	69.9	67.7	+2.2	292.9	266.6	+26.3
(ii) Government ..	0.4	28.1	-27.7	0.6	39.3	-38.7	0.3	27.7	-27.4	0.5	39.3	-38.8	1.8	134.4	-132.6
2 Non-monetary gold movement ..	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Foreign Travel ..	-	1.1	-1.1	-	1.3	-1.3	-	1.0	-1.0	0.1	0.9	-0.8	0.1	4.3	-4.2
4. Transportation ..	6.2	2.3	+3.9	5.9	2.9	+3.0	5.8	2.2	+3.6	5.6	2.2	+3.4	23.5	9.6	+13.9
5 Insurance ..	1.5	1.1	+0.4	1.1	1.3	-0.2	1.5	1.1	+0.4	1.1	0.8	+0.3	5.2	4.3	+0.0
6 Investment Income ..	2.5	3.6	-1.1	3.1	4.1	-1.0	2.1	6.7	-6.6	4.0	4.0	-	11.7	18.4	-6.7
7 Government, not included elsewhere ..	7.1	2.5	+4.6	4.5	2.9	+1.6	4.1	1.9	+2.2	5.0	2.1	+2.0	20.7	9.4	+11.3
8 Miscellaneous ..	4.7	1.9	+2.8	4.6	2.5	+2.1	4.9	2.6	+2.3	4.0	4.4	-0.4	18.2	11.4	+6.8
9. Donations ..															
(i) Official ..	-	-	-	0.3	-	+0.3	0.2	-	+0.2	0.2	-	+0.2	0.7	-	+0.7
(ii) Private ..	11.2	3.9	+7.3	10.0	3.0	+7.0	9.3	3.1	+6.2	8.9	3.2	+5.7	39.4	13.2	+26.2
10. Total Current Transactions ..	94.0	114.7	-20.7	101.6	124.9	-23.3	119.3	107.4	+11.9	99.3	124.6	-25.3	414.2	471.6	-57.4

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 72—(Contd.)
INDIA'S BALANCE OF PAYMENTS, 1959-60—(Contd.)
 CURRENT ACCOUNT. REGION-WISE
DOLLAR AREA (a)

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			Year : 1959-60 (Preliminary)			
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	
1. Merchandise Exports <i>fo b.</i> Imports <i>c.i.f.</i>																
(i) Private	29.8	11.6	+18.2	28.6	13.2	+15.4	28.1	14.9	+13.2	29.8	14.2	+15.0	116.3	53.9	+62.4	
(ii) Government	—	49.3	-49.3	0.3	42.5	-42.2	0.7	27.7	-27.0	0.3	53.1	-52.9	1.3	172.6	-171.3	
2. Non-monetary gold movement	—	—	—	—	—	—	5.9	—	+5.9	—	—	—	5.9	—	+5.9	
3. Foreign Travel	1.0	0.4	+0.6	0.8	0.7	+0.1	1.0	0.4	+0.6	1.2	0.5	+0.7	4.0	2.0	+2.0	
4. Transportation	1.4	0.7	+0.7	1.4	1.0	+0.4	1.2	1.0	+0.2	1.4	0.8	+0.6	5.4	3.5	+3.9	
5. Insurance	..	0.2	—	+0.2	0.2	—	0.2	—	+0.2	0.1	—	+0.1	0.4	0.2	+0.5	
6. Investment Income	.0.2	4.2	-4.0	0.4	3.0	-2.6	0.5	3.2	-2.7	0.7	5.3	-4.0	1.8	15.7	-13.9	
7. Government, not included elsewhere	4.7	0.5	+4.2	4.1	0.3	+3.8	13.4	0.2	+13.2	5.4	0.2	+5.2	27.6	1.2	+26.4	
8 Miscellaneous	0.8	1.4	-0.6	0.6	1.0	-0.4	1.0	—	0.7	1.5	-0.8	3.1	4.9	-1.8		
9. Donations																
(i) Official		8.4	—	+8.4	12.3	—	+12.3	8.0	—	+8.0	6.0	—	+6.0	34.7	—	+34.7
(ii) Private	2.6	0.2	+2.4	2.7	0.2	+2.5	3.2	0.1	+3.1	2.8	0.1	+2.7	11.3	0.6	+10.7	
10. Total Current Transactions ..	49.1	68.3	-19.2	51.4	62.1	-10.7	63.2	48.5	+14.7	48.4	75.7	-27.3	212.1	254.6	-42.5	

(a) Comprises the United States, other American Account countries and Canada.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 72—(Contd.)

INDIA'S BALANCE OF PAYMENTS, 1959-60—(Contd.)
CURRENT ACCOUNT REGION-WISE
O.E.G. COUNTRIES

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			Year : 1959-60 (Preliminary)			
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	
1. Merchandise (Exports <i>faob</i> , Imports <i>f.i.f.</i>)	15.0	27.2	-12.2	13.0	22.4	-9.4	16.1	26.5	-10.4	15.2	25.2	-10.0	59.3	101.3	-42.0	
(i) Private				11.5	0.2	13.4	-11.2	0.5	10.5	-10.0	0.1	20.7	-29.6	0.9	59.2	-53.3
(ii) Government	0.1	14.6	-14.6													
2. Non-monetary Gold movement																
3. Foreign Travel	0.1	0.6	-0.5													
4. Transportation	1.0	1.0	-0.9													
5. Insurance	0.1	0.1	-0.1													
6. Investment Income		0.2	0.2													
7. Government, not inclu- ded elsewhere	0.4	0.4	-0.5													
8. Miscellaneous	1.0	0.6	1.0	0.9	0.9	-0.8	0.9	-0.7	1.1	0.7	+0.4	3.8	3.1	-1	0.7	
9. Donations																
(i) Official																
(ii) Private	0.2	0.4	-0.2	0.2	0.5	-0.3	0.3	0.5	-0.2	0.3	0.3	-	1.0	1.7	-	0.7
10. Total Current Trans- actions ..	17.9	45.1	-27.2	15.8	40.1	-21.4	19.4	41.8	-22.4	18.1	50.2	32.1	71.2	177.2	-106.0	

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 72—(Contd.)

INDIA'S BALANCE OF PAYMENTS, 1959-60—(Contd.)
CURRENT ACCOUNT: REGION-WISE
REST OF NON-STERLING AREA

Item	April-June 1959			July-September 1959			October-December 1959			January-March 1960			(Crates of Rupees)		
	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net	Credits	Debits	Net
1 Merchandise (Exports of goods)															
(i) Private	30.2	24.8	+ 5.4	35.5	20.8	+ 14.7	43.5	16.1	+ 27.4	40.3	23.8	+ 16.5	149.5	85.5	+ 64.0
(ii) Government	0.2	17.0	- 16.8	—	11.1	- 11.1	0.8	13.9	- 13.1	0.3	8.2	- 7.9	1.3	50.2	- 48.9
2 Non monetary gold movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 Foreign Travel	—	0.4	- 0.4	—	—	—	—	—	—	—	—	—	—	—	—
4 Transportation	2.1	0.5	+ 1.0	2.3	0.4	+ 1.9	3.2	0.7	+ 2.5	2.7	0.6	+ 2.1	10.3	2.2	+ 8.1
5 Insurance	0.3	0.1	+ 0.2	0.4	0.1	+ 0.3	0.4	0.1	+ 0.3	0.4	0.2	+ 0.2	1.5	0.5	+ 1.0
6 Investment Income	0.1	0.2	- 0.1	0.1	0.1	—	—	0.1	- 0.1	—	—	—	0.1	1.2	- 1.1
7 Government, not included elsewhere	0.8	0.4	+ 0.4	1.5	0.4	+ 1.1	1.1	0.3	+ 0.8	1.4	0.2	+ 1.2	4.8	1.3	+ 3.5
8 Miscellaneous	0.9	0.7	+ 0.2	0.8	1.1	- 0.3	0.8	1.3	- 0.5	0.7	1.1	- 0.4	3.2	4.2	- 1.0
9. Donations															
(i) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Private	0.4	0.2	+ 0.2	0.5	0.2	+ 0.3	0.4	0.1	+ 0.3	0.4	0.1	+ 0.1	0.1	—	+ 0.1
10 Total Current Transactions	35.0	44.3	- 9.3	41.1	34.8	+ 6.3	50.2	32.7	+ 17.5	46.4	35.8	+ 10.6	172.7	147.6	+ 25.1

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 73

INDEX NUMBERS OF EXPORTS
(1952-53 = 100)

Commodity	1959														
	1957	1958	1959	Jan	Feb.	Mar.	Apr.	May	June	July	Aug	Sept	Oct	Nov	Dec.
Average Value Index															
I. Food .	119	117	111	109	117	107	104	117	131	117	116	121	113	117	115
1 Fruits and vegetables	94	86	86	80	79	80	83	84	86	88	92	88	89	92	91
2 Tea ..	147	143	141	132	129	128	124	137	141	144	148	145	142	144	150
3. Spices ..	33	35	38	25	43	56	62	50	63	38	29	36	34	36	39
II. Beverages and Tobacco	90	87	97	61	93	172	152	110	54	79	55	43	48	52	54
4 Tobacco ..	50	87	97	61	93	172	152	110	53	79	55	43	48	52	54
III. Crude materials, inedible, except fuels	106	94	95	92	90	91	93	92	89	95	93	98	95	97	99
5. Hides and skins, undressed	119	126	173	173	162	162	154	158	173	178	162	170	173	198	214
6 Oilsseeds, oil nuts and oil kernels ..	79	71	80	83	79	81	83	84	65	72	98	96	72	88	78
7 Wool and other animal hair ..	142	116	122	119	116	116	121	124	128	132	125	122	120	114	125
8 Cotton, raw and waste	88	77	71	70	67	71	71	69	72	72	76	74	65	71	77
9 Crude minerals, excluding coal, petroleum, etc.	68	73	69	69	68	66	69	66	61	68	75	71	73	68	71
10 Metalliferous ores and metal scrap	122	108	97	103	96	97	95	97	89	100	97	99	94	96	96
11 Natural gums, resins and lac ..	118	106	107	102	104	105	106	104	104	108	106	114	110	112	118
IV. Mineral Fuels, Lubricants, etc.	91	93	98	96	99	89	96	104	112	95	98	106	100	95	102
12 Coal ..	91	91	100	93	93	90	98	110	115	97	99	107	103	102	102
V. Animal and Vegetable Oils and Fats	85	81	81	90	88	78	82	82	79	78	77	78	82	81	82
13. Vegetable oils ..	83	79	80	89	88	75	82	82	79	76	75	75	81	81	82
VI. Manufactured goods classified chiefly by materials ..	80	79	78	78	79	80	78	77	76	76	76	79	75	80	80
14 Leather and manufactures thereof	114	117	134	115	115	115	120	125	133	133	140	146	148	148	149
15. Cotton fabrics of standard type ..	80	79	78	79	82	85	84	79	75	77	77	77	73	79	78
16. Fabrics of jute ..	76	73	74	74	74	74	73	72	73	74	75	75	75	75	74
17. Bags and sacks for packing ..	70	67	60	61	59	58	58	58	58	58	60	62	62	64	63
GENERAL ..	94	93	91	90	90	93	91	90	90	90	91	94	89	94	95
VOLUME INDEX OF															
TOTAL EXPORTS ..	119	108	119	106	101	108	104	104	99	120	135	135	142	136	153
TERMS OF TRADE* ..	96	101	101	97	94	107	105	105	94	110	120	109	101	106	113

* Derived series

Source. Director General of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 74

INDEX NUMBERS OF IMPORTS

(1952-53 = 100)

Commodity	1957	1958	1959	1959												
				Jan	Feb	Mar	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Average Value Index																
I. Food ..	103	110	100	101	97	92	101	103	97	83	94	93	89	95	92	
1. Dairy products, eggs and honey	81	95	68	80	71	71	76	96	72	54	54	56	67	67	64	
2. Cereals and cereal preparations	114	114	103	109	106	104	106	106	99	89	96	94	98	94	94	
3. Fruits and vegetables	103	82	89	79	79	64	82	73	84	84	85	107	94	113	93	
4. Spices ..	67	147	209	194	183	270	183	192	200	236	208	207	392	216	247	
II. Beverages and Tobacco	117	132	140	153	147	119	138	123	120	157	125	110	108	99	88	
5. Beverages	109	102	103	103	109	100	103	103	103	97	105	110	108	99	87	
III. Crude materials, imme- diate, except fuels	93	85	79	90	83	77	72	72	75	77	81	82	87	81	78	
6. Raw cotton other than linters	87	77	66	68	65	65	62	64	66	65	67	67	65	67	70	
7. Jute, raw	88	66	56	40*	109	75	62	58	95	53	52	44	50	44	50	
IV. Mineral Fuels, Lubri- cants, etc.	98	105	99	105	102	100	107	100	107	102	104	96	94	98	97	
8. Petroleum products	98	105	99	105	102	100	107	100	107	102	104	96	94	98	97	
V. Animal and Vegetable Oils and Fats	98	132	106	120	94	100	125	83	120	115	93	99	90	82	82	
9. Vegetable oils	101	151	135	134	158	188	137	—	134	133	102	160	139	—	—	
VI. Chemicals	94	96	96	96	108	77	100	99	98	108	84	102	96	86	98	
10. Chemical elements and compounds	98	103	110	113	143	128	131	106	112	104	103	111	97	93	107	
11. Dyeing, tanning and colouring materials	94	98	101	100	85	95	94	107	99	103	110	102	106	93	107	
VII. Manufactured goods classified chiefly by materials	91	83	79	81	80	77	79	75	78	74	81	82	80	81	81	
12. Paper, pasteboard etc	95	93	88	89	94	89	89	85	89	86	90	85	84	88	89	
13. Yarn of wool and hair	116	80	71	107	123	—	—	—	100	—	—	—	—	63	63	
14. Woollen and worsted fabrics	156	142	176	179	157	208	175	145	158	176	150	200	160	173	189	
15. Iron and Steel	95	92	81	84	85	87	81	76	79	75	79	80	80	83	87	
16. Copper ..	91	68	85	84	82	84	86	89	90	92	83	81	82	85	89	
17. Aluminium	110	94	92	89	92	95	87	95	93	92	96	94	87	90	90	
18. Manufactures of metals	99	114	125	123	114	135	119	128	124	96	111	100	121	134	154	
VIII. Machinery and Trans- port equipment	107	86	90	93	119	96	85	89	129	74	61	77	88	93	80	
19. Machinery other than electric	138	150	232	374	114	122	286	229	190	137	279	373	192	259	—	
20. Electric machinery, etc	85	87	97	99	94	109	111	95	134	95	99	87	94	91	80	
21. Transport equipment	105	84	89	93	120	95	84	88	128	72	59	76	87	86	80	
General	98	92	90	93	96	87	87	86	96	82	76	86	88	89	84	
Volume Index of Total Imports ..	156	140	148	128	112	135	167	139	146	140	140	146	136	143	150	

* Provisional. @ Average of eleven months January to November 1959.

Source Director General of Commercial Intelligence and Statistics

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 75

IMPORTANT CHANGES IN IMPORT CONTROL, 1959-60

Item	Month of Announcement	Details
Raw Cotton	May 1959	Decision to permit the import of 2.4 lakh bales from July 1, 1959, under the export incentive scheme. Mills exporting cotton cloth or yarn or both would be granted allotments equal to 66.23% of the <i>f.o.b.</i> value of their exports. Eligible mills could retain the entire quantity imported, if their exports consisted of fine and super-fine cloth, or yarn of 60 counts and above. In other cases, mills could retain only a part of the imported cotton, on the basis of their distance from the ports of Bombay, Madras and Calcutta, indicated below, and surrender the balance to the Textile Commissioner * % value of entitlement to be retained
		<i>Distance from port</i>
		beyond 400 miles 25 between 201 and 399 miles 22 200 miles and less 20
"	"	Shipment period for the import quota of 1.4 lakh bales of cotton announced in December 1958 further extended by one month upto June 30, 1959
"	June 1959	Decision to permit the import of one lakh bales of cotton country, consisting of 40,000 bales stapling 1 1/16" - 1 3/16" and 60,000 bales, stapling 1 3/16" and above from any area. Licences would be issued to actual users i.e., mills, under the export incentive scheme and would be valid for shipment upto October 15, 1959 in respect of the former variety and upto August 31, 1959 in respect of the latter
"	August 1959	Decision to permit the import of 1.4 lakh bales of raw cotton, stapling 1 3/16" and above, of which one lakh bales would be reserved for allotment to non-actual users.
"	October 1959	Decision to permit the import of an aggregate quantity of 1.8 lakh bales, comprising (i) one lakh bales, stapling 1 3/16" and above for allotment to actual user mills, (ii) 50,000 bales, stapling 1 1/16" - 1 3/16" to non-actual user mills and to those who opted for the spindleage basis at Rs. 5 per spindle**, and (iii) 30,000 bales, half for cotton of staple length 1 3/16" and above and the other half for cotton of 1 1/16" - 1 3/16", to eligible mills as retention quota for July-September 1959 under the export incentive scheme. Licences for the first two categories would be valid for shipment upto June 30, 1960 and for the last upto April 30, 1960
"	November 1959	Decision to permit the import of an aggregate quantity of 2.3 lakh bales consisting of (i) 30,000 bales, stapling 1 3/16" and above and 85,000 bales, stapling 1 1/16" - 1 3/16" from any area, and 85,000 bales, stapling 1 1/16" and above from the U.S.A. under the P.L. 480 agreement for allotment to actual users, (ii) 30,000 bales for allotment to exporting mills as advance retention quota, and (iii) an additional quantity of American cotton for allotment to non-actual user mills and to those who have opted for the spindleage basis, as quota for the second half of the season ** Import Licences would be valid for shipment upto August 31, 1960 for all the varieties other than the American cotton, the shipment period for which would depend on the terms of the purchase authorisation

* The entitlement so surrendered would form a pool from which allotments would be made to needy mills by the Textile Commissioner. In return the surrendering mill would be granted a cash premium.

** Mills who do not desire to import the cotton would be eligible for a cash premium of 10% of the value of their quotas on surrendering the same to the pool

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 75—(Contd.)

IMPORTANT CHANGES IN IMPORT CONTROL, 1959-60—(Contd.)

Item	Month of Announcement	Details
Raw Cotton (cords)	January 1960	Decision to permit the import of 1.8 lakh bales of American cotton stapling 1" and below under the P.L. 480 agreement with the U.S.A. Mills which exported cotton cloth or yarn during the quarter July-September 1959 would be given priority.
"	"	Decision to permit the import of 20,000 bales of cotton, stapling 1" and below, from Pakistan for a total value of Rs 1 crore in terms of the limited payments agreement with that country (see Statement 84).
"	February 1960	Decision to permit the import of 50,000 bales of cotton, stapling not below 1 1/16", from any area for meeting the requirements of mills for spinning 60 counts and above. Licences would be valid for shipment upto May 31, 1960.
Art silk Yarn	June 1959	Release of a quota of 5% for the half-year April-September 1959.
"	September 1959	Extension of the validity period by three months from the date of expiry in respect of the 24% of the face value of actual user licences for art silk yarn issued during the period October 1958-March 1959, which had to be utilised for import through the State Trading Corporation against rupee payment. The validity of the licences was further extended by one month in January 1960.
"	January 1960	Increase in the import quota for established importers from 2 1/2% to 7 1/2% during the licensing period ended March 31, 1960.
Hides and Skins	July 1959	Decision to grant on an ad hoc basis supplementary licences for the import of hides and skins, raw or salted, from neighbouring countries, to established importers who had fully or substantially utilised their licences for these items during the current and preceding licensing periods.
"	September 1959	Issue of an open general licence, O.G.L. No LIX, for the imports of hides and skins, raw or salted, from Afghanistan subject to the goods being despatched before December 31, 1959 and payments being made in rupees into a special account opened by the Afghanistan Bank with the State Bank of India. The O.G.L. was cancelled in November 1959.
"	January 1960	Decision to issue permits to established importers and new comers for the import of hides and skins raw or salted from Afghanistan within reasonable value limits, subject to payments being made in rupees through the special account of the Afghanistan Bank with the State Bank of India within six months from the date of import. The permits would be valid for dispatches from Afghanistan upto March 31, 1960.
Watches	January 1960	Grant of a quota of 2 1/2%. General and 2 1/2% Soft for the import of complete watches, other than gold watches or watches priced at Rs 150/- or more.
"	March 1960	Release of a quota of 10% General and 10% Soft for the half-year ending September 1960.
Seed Potatoes	October 1959	Decision to permit the import of a limited quantity of seed potatoes from Burma against rupee payment during the half-year ended March 31, 1960, in terms of the protocol to the Indo-Burmese trade agreement. Imports would be canalised through the State Trading Corporation.
Eggs and Poultry	January 1960	Decision to issue licences for the import of eggs from Pakistan in terms of the Indo-Pakistan limited payments agreement of December 1959. Licences would be granted to established importers on a quota of 50% subject to (i) payments being made in non-convertible Indian rupees through a special account with the State Bank of India and (ii) upto 25% of the face value of the licences.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 75—(Contd.)

IMPORTANT CHANGES IN IMPORT CONTROL, 1959-60—(Contd.)

Item	Month of Announcement	Details
Eggs and Poultry (contd)	January 1960 (contd)	being utilisable for the import of poultry also Hotels and restaurants catering to tourist traffic and approved by the Department of Tourism would be granted licences for the import of eggs and poultry on an <i>ad hoc</i> basis
Fruits, Asafoetida, etc from Afghanistan	August 1959	Decision to permit from July 21, 1959, the import of fruits (dried and fresh), asafoetida, cumin seeds and medicinal herbs by approved importers on an <i>ad hoc</i> basis subject to certain conditions. The facility was extended in September to new comers who undertook to export non-traditional goods to Afghanistan within four months from 1-10-59. Issue of permits suspended in November.
"	February 1960	Decision to grant permits to new comers for the import of pomegranates only (and not the other items announced in September), for a value equal to the value of their exports of non-traditional goods to Afghanistan, effected by them between 1-10-59 and 31-1-60.
from Iran	March 1960	Decision to extend the concession relating to the import of dry fruits and asafoetida from Iran via the land route without import control restrictions for a further period of 3 months upto June 30, 1960.
Fruits from Pakistan	March 1960	Decision to license on an <i>ad hoc</i> basis the import of fresh fruits from Pakistan by established importers who had imported fresh fruits from the soft currency area during the years 1945-46 to 1953-54 and from Afghanistan during the four years ended June 30, 1956.
Dates	May 1959	Announcement of a quota of 15% for the half-year April-September 1959.
"	November 1959	Decision to grant supplementary licences for the import of dates on an <i>ad hoc</i> basis in addition to the quota of 7½% for the half-year October 1959-March 1960.
Dollar Goods	December 1959	Relaxation of restrictions on imports from the dollar area. Import licences (other than C G and H E P licences and those restricted to specified country or countries), valid for import from the soft currency area only, and issued during the current licensing period or outstanding from the previous periods, would henceforth be available for import from the dollar area also upto the full face value of licence, instead of only 50% or Rs 5,000 whichever was more, as before. Licences for capital goods could be utilised only for imports from the country or countries specified thereon.
Cars, Station-wagons, etc	August 1959	Decision to exempt cars, jeeps and station-wagons imported by tourists under the <i>Triptique</i> system from import trade control restrictions provided they are re-exported within the period specified in the <i>Triptique</i> or <i>Carnet de passage</i> .
Iron and Steel	April 1959	Policy for the import of iron and steel during the half-year April-September 1959 would be as under— <ul style="list-style-type: none"> (i) Issue of licences to established importers on a yearly basis for industrial scrap only, to the extent of 7½% of the base quota, (ii) issue of licences to actual-users, as in the preceding half-year, for tool, alloy and special steels, terne plate and forgings, etc., (iii) import of tin plates, steel wire, strips, tapes, skelp and electrical steel sheets to be arranged by the Iron and Steel Controller against foreign credits and supplied to actual-users on the recommendation of the sponsoring authority, (iv) issue of licences on a yearly basis to certain scheduled industries of the engineering and chemical groups, e.g., bicycles, machine tools and dye stuffs, in addition to their normal allotment with a view to ensure continuity in supplies. Such licences would be treated as advance allotment for the succeeding half-year and may vary between 50-75% of the allotment for the current period.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 75—(Contd.)

IMPORTANT CHANGES IN IMPORT CONTROL, 1959-60—(Contd.)

Item	Month of Announcement	Details
Iron and Steel (contd.)	September 1959	<p>Policy for the half-year October 1959 to March 1960 was designed to meet the growing needs of industry and to ensure increased supplies of steel items not internally produced or produced in insufficient quantities. Thus,</p> <ul style="list-style-type: none"> (i) established importers would be granted a quota of 7½% for industrial scrap, alloy and tool steels (excluding stainless steel sheets, strips, and circles) and wire of all types, (ii) actual users would be permitted to import 7 more items, besides those allowed in the preceding half-year, (iii) requirements of the larger units borne on the Development Wing's list and of the oil industry would be imported and distributed by the Iron and Steel Controller, (iv) licences for tool and alloy steel except stainless steel sheets would be issued for double the quantity recommended by the sponsoring authority, with a view to meeting their requirements till September 1960.
Import Policy, October 1959—March 1960	September 1959	<p>The salient features of the policy were —</p> <ul style="list-style-type: none"> (i) Marginal adjustments in the quotas granted to established importers by <ul style="list-style-type: none"> (a) increase in the quotas for raw materials, such as non-ferrous metals including scrap, machinery spares and parts, etc., and consumer goods like infant foods and fishing hooks, (b) grant of small quotas for artificial teeth, musical instruments, printing paper, etc., (c) reduction in the quotas for metal working saws, leather belting, bleaching paste and powder, etc. (ii) Increased emphasis on export promotion by (a) enlargement of the export promotion scheme (under which import licences are granted for replacing the raw material content of the exported product) by the addition of packing, wrapping and butter-paper, synthetic stones and bleaching powder, (b) the introduction of a new licensing category for capital goods whose imports would be linked to exports of a promotional nature, (iii) Special attention to the needs of small-scale industry. <p>Consequent on improvement in the indigenous production and stock position, policy provides for a somewhat larger allocation of foreign exchange for essential industrial raw materials and spares and seeks to give relief where urgently needed by suitable adjustment in quotas e.g. (i) increased quotas for brass scrap, copper wrought, industrial exhaust fans and blowers, watches, musical instruments, etc., (ii) smaller quotas for bifurcated rivets, files and rasps, boiler tubes, hydro-sulphite of soda, wattle bark and wattle extract, etc.; (iii) licensing on an annual basis the import of the requirements of certain specified industries with a view to enable them to take advantage of the price situation and to procure supplies without interruption, and (iv) addition of (a) hydro-sulphite of soda and oxalic acid and (b) spare parts of machines such as knitting needles to the export promotion scheme list.</p>
Import Policy April-September 1960	March 1960	<p>Open General Licence No LVI for imports from Pakistan dated 31-3-59 was replaced by OGLs. Nos LVII, LVIII, LX and LXI valid upto September 30, 1959, December 31, 1959, March 31, 1960 and June 30, 1960 respectively and included kapok in addition to the commodities mentioned in OGL LVI.</p>
Open General Licences*		* OGL No LIX of September 1959 for the import of hides and skins from Afghanistan is mentioned on second page of this statement

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 76

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, 1959-60

Item	Month of Announcement	Details
A. Changes in Control:		
Raw cotton	September 1959	Release of an export quota of 75,000 bales of Bengal Deshi cotton, valid for shipment till the end of February 1960. Of this, 10% was reserved for allotment to co-operative societies and the balance was licensed freely on a first-come-first-served basis, subject to an individual maximum of 10% of the unreserved quota
"	November 1959	Release of a quota of 75,000 bales of Bengal Deshi cotton valid for shipment till the end of August 1960. Of this 5% would be reserved to co-operative societies and the balance licensed in the same way as the previous quota
Tea	April 1959	Liberalisation of the export of dust teas by waiving the requirement that dust teas should be covered by quota rights in respect of applications received prior to March 31, 1960
"	May 1959	Release of an <i>interim</i> export quota for 1959-60 to the extent of 55% of the crop basis of the tea estates
"	October 1959	Release of the second <i>interim</i> quota upto 5% of the crop raising the aggregate release to 60%
"	December 1959	Release of the third <i>interim</i> quota of 5% raising the total release to 65% of the crop pending final notification of the export allotment for the year
"	March 1960	Release of a further export quota of tea of 2% for 1959-60 bringing the total export allotment to 67% of the crop basis or 507.5 million lbs the percentage being the same as last year.
Manganese ore	June 1959	Pending announcement of the export policy for the year 1959-60, exports would be permitted on the basis of the quotas for 1958-59, subject to a proportional reduction in the allotment for 1959-60
"	September 1959	Exports during the year October 1, 1959 to September 30, 1960 would be regulated as follows (i) quotas to established shippers, mine-owners and the State Trading Corporation would be equal to their respective quotas for 1957-58, (ii) bonus quotas would be granted to smaller exporters forming into co-operatives or limited companies having an aggregate quota of 25,000 tons and above, the bonus quota would be 20% of such aggregate quota, (iii) barter or compensation deals would be operated by the S T C on terms agreed to between the S T C and its business associates among exporters and mine-owners of manganese ore; (iv) S T C would be directed to coordinate its activities with experienced exporters to evolve three to five year production and marketing programmes in collaboration with them, (v) free licensing of low grade ore from Ganivid, Srikakulam etc. would be continued.
Raw wool*	October 1959	Export of raw wool during October 1959-March 1960 to be regulated on a first-come-first-served basis within a ceiling partly against contracts and partly on consignment subject to the production of a certificate of "Agmark" grading. Consignment exports would be further subject to a maximum of 100 bales per shipper from all ports.

*It was announced in April 1960 that exports during April-September 1960 would be on the same basis as in the preceding half-year.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 76—(Contd.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, 1959-60—(Contd.)

Item	Month of Announcement	Details
Raw goat skins	June 1959	Exports of raw goat skins brought within the purview of export control in the interests of the indigenous tanning industry. During the year ending May 31, 1960 established shippers would be granted quotas to the extent of 100% of their best year exports in the calendar years 1956-58
"	July 1959	Decision to permit shipments of raw goat skins by new comers against pre-restriction (pre-June 1959) contracts subject to certain conditions
"	January 1960	Export of pickled goat-skins would be licensed freely
Staple fibre yarn	July 1959	Release of a quota of 1.5 million lbs for export on a first-come-first-served basis during the half-year July-December 1959.
"	January 1960	Release of a quota of 1.5 million lbs for export on a first-come-first-served basis during January-June 1960
Oils oilseeds and oilcakes etc	August 1959	Decision to licence freely, without quantitative restrictions upto July 1962 the export of niger kardi and sesamum seeds and their oils, salad oil niger and kardi seed oilcakes, maize oilcake and other oilcakes (excluding linseed, groundnut and coconut oilcakes) and green coconuts
Linseed oilcake	July 1959	Release of a quota of 10,000 tons for export upto September 30, 1959
"	August 1959	Release of another quota of 15,000 tons for export upto September 30, 1959
"	September 1959	Release of a quota of 30,000 tons for export during October 1959-March 1960
"	January 1960	Release of a quota of 20,000 tons for export till the end of March 1960
Coconut oilcake	September 1959	Release of a quota of 15,000 tons for export during October 1959-March 1960
H.P.S. groundnuts in shell	October 1959	Release of a quota of 2,000 tons for export to the U.K. and the Netherlands till the end of March 1960. Established shippers would be granted quotas equal to 10% of their export of H.P.S. groundnuts to these two countries during any one of the calendar years 1949-55.
H.P.S. groundnuts kernel	November 1959	Release of a quota of 20,000 tons for export till the end of June 1960. Quotas to established shippers would be 20% of their best year exports during the calendar years 1949 to 1955; quotas to co-operative societies would be fixed in relation to the acreage under cultivation during 1956, 1957 or 1958
Groundnut oil	February 1960	Release of a quota of 10,000 tons for export upto September 30 1960. Established shippers would be granted quotas equal to 25% of the exports of groundnut oil effected by them under the incentive scheme introduced in early 1959. Exporters completing their quotas within the validity period would be permitted to export, upto November 1960, 3 1/2 tons of groundnut oilcake (expeller variety) for every ton of groundnut oil exported by them upto September 1960
Sea salt	June 1959	Decision to canalise exports of sea salt through the State Trading Corporation or its agents during the period ending May 31, 1960 instead of licensing it to all categories of shippers in Rajkot and Kandla on the recommendation of the Salt Commissioner as hitherto

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 76—(Contd.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS 1959-60—(Contd.)

Scheme	Month of Announcement	Details
B. Special Export Promotion Schemes :		
Art silk fabrics	June 1959	Announcement of a revised scheme to promote exports of art silk fabrics operative from July 1, 1959. Its main features are (i) grant of import licences for art silk yarn to manufacturers equal to 100% of the value of their export of art silk fabrics as assessed by the Office of the Textile Commissioner, (ii) permission to use upto 10% of the face value of the import entitlement for yarn to import permissible types of spare parts of machinery required by them (iii) grant of licences for the import of permissible types of coal tar dyes, textile chemicals etc upto 2% of the value of exports; (iv) Compulsory pre-shipment inspection of the goods by the Textile Commissioner's Offices and (v) prohibition of the sale of import licences issued under the scheme
"	February 1960	Extension of the scheme in August 1959 to art silk fabrics exported by air and in October 1959 to exports to Afghanistan
Woollen goods	October 1959	Grant of additional incentives to manufacturer-exporters whose weaving units are situated in the upcountry. The additional entitlements would be for the import of art silk yarn and would be equal to 2% and 5% of the value of exports effected by units situated between 200-400 miles and beyond 400 miles respectively, from the ports of Bombay, Calcutta and Madras.
"	March 1960	The incentive scheme for the promotion of the exports of woollen goods operative from April 1, 1959 envisages grant of import licences once a quarter for raw wool, dyes etc to the various categories of exporters against the <i>f.o.b</i> value of their exports in the preceding quarter as under
Mixed fabrics	March 1960	<ul style="list-style-type: none"> (i) Spinning and weaving units and manufacturers of hosiery. grant of licences for the import of (a) raw wool, wool tops or shoddy wool upto 75% of the value of the exports of woollen goods and (b) permissible varieties of dyes and chemicals of machinery, spare parts etc upto 10% of the value of such exports (ii) Manufacturers of carpets, rugs and druggets. grant of entitlement (a) for dyes and chemicals upto 5% of the value of exports and (b) for raw wool and shoddy wool upto 5% of the value of exports to the U.S.A., Canada and other American countries (iii) Manufacturers of ready-made woollen garments. grant of import licences (a) for raw wool, wool tops or shoddy wool upto 50% of the value of their exports and (b) for zip fasteners, buttons and sewing thread upto 2½% of the <i>f.o.b</i> value of exports (iv) Merchant exporters of shawls. grant of import licences for raw wool and wool tops upto 50% of the value of their exports. <p>The scheme was liberalised by providing for the issue of advance licences for the import of raw materials permitted against exports.</p> <p>Exporters of mixed fabrics (<i>i.e.</i>, fabrics containing yarns of more than one textile fibre) would be permitted to import raw materials, accessories and spares against the <i>f.o.b</i> value of their exports of mixed fabrics. The value of the entitlements and the goods which could be imported would be determined on the basis of the proportions in which the fibres are mixed in the export goods.</p>

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 76—(Contd.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS 1959-60—(Contd.)

Scheme	Month of Announcement	Details
Ship repair	October 1959	Decision to grant special licences for the import of essential materials and components for ship repair to firms engaged in ship repair work in order to enable them to increase the country's foreign exchange earnings through ship repair. Firms desirous of taking advantage of the scheme could get themselves registered provided they (a) have an annual income of Rs. 2 lakhs and above from ship repair during the last five years and (b) undertake a half-yearly target for direct foreign exchange earnings equal to at least 110% of their foreign exchange earnings through ship repair during the last half-year or 10% of half the total earnings from ship repair during the last five years whichever is higher. The scheme would be operative on the basis of either the past or the prospective performance of the applicant.
Vanaspati and hydrogenated oil	November 1959	The scheme was designed to help the industry to achieve an export target of 10,000 tons in the year ending September 30, 1960 and is in addition to the existing scheme for the grant of replenishment licences for the supply of tin plates. It is open to manufacturer-exporters who undertake to fulfil the export targets fixed for them. It provides for the grant of import licences for (a) copra upto 95% of the value of vanaspati or hydrogenated oil exported during the quarter October-December 1959 at a prescribed <i>f.o.b</i> price and (b) chemicals, spare parts and components of machinery required for replacement or improvement upto 5% of the value of such exports.
Cotton Textiles	November 1959	Enlargement of the incentive scheme of October 1958-March 1959 to cover exports to countries with rupee payment arrangements also for the purpose of calculating the import entitlement for dyes, chemicals etc subject to the condition that the entitlements so earned should be utilised for imports only from countries with which special rupee payment arrangements exist.* The scheme was extended in March 1960 to exports effected on or after March 1, 1960 under the various export incentive schemes.
"	December 1959	Further widening of the scope of the scheme to stimulate exporters of categories like ready-made garments, bed tuckings, bags etc., made of cloth. Exporting mills, merchant-exporters as well as mills whose cloth is utilised for the manufacture of the exports could secure import entitlements for raw cotton, textile chemicals, dyes, etc., subject to certain conditions. The scheme was extended in March 1960 to cover exporters of hosiery goods.
"	September 1959	Decision to permit exporters of cotton cloth and yarn to import during the quarter ended December 1959 and thereafter transparent cellophane paper to the extent of 10% of the face value of the licences for dyes, chemicals etc., or Rs. 750 whichever is higher.
Engineering Goods	September 1959	The scheme of allotting pig iron and steel to manufacturer-exporters of engineering goods upto 133 1/3 per cent of the value of iron and/or steel content of the manufactured goods exported out of the country which was introduced in 1957, was supplemented by a new scheme. Under the latter, individual export targets would be fixed at 110 per cent of the best year's exports for (established) manufacturer-exporters and at reasonable levels for those having

* Imports of raw cotton would however be permitted either from rupee payment countries or from other sources.

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STATEMENT 76—(Contd.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS 1959-60—(Contd.)

Scheme	Month of Announcement	Details
Engineering Goods (Contd.)	September 1959 (Contd.)	no past performance. Fulfilment of these targets would be facilitated by the grant of import entitlements for raw materials, components, consumable stores etc., upto twice the imported raw material content of the export product or 75 per cent of the <i>f.o.b.</i> value of the finished goods (exported), whichever is less, subject to a minimum of 20 per cent of the <i>f.o.b.</i> value of the finished goods exported.
Tinned fish	June 1959	Introduction of the scheme for the supply of tin plates against exports of tinned fish from April 1, 1959. It would be open to persons engaged in the canning of fish, provided (i) they are exporters or engaged in the internal sales of tinned fish for at least one year or are recommended by the Fisheries Development Adviser, Ministry of Food and Agriculture, (ii) they give an undertaking that the containers obtained under the scheme would be used only for the export of tinned fish, and (iii) they make standing arrangements with manufacturers of tin plate containers for the supply of containers against the tin plate quota under the scheme.
Tin Plates etc	January 1960	Scheme for the supply of tin plates and steel sheets to manufacturer-exporters of certain commodities which are exported in containers of tin plates and steel sheets was extended to cover items like typewriter ribbons, stamp pads, turned butter, pea nuts, groundnuts and roasted peas, hookah and pipe tobacco, vegetable, turpentine, denatured spirit and hardened groundnut oil.
Groundnut and salad oils		Tin plates under the scheme could be obtained against past or prospective exports.
Films	August 1959	Decision to grant licences for coloured raw stock under the scheme even for starting a new picture provided acceptable export contracts are submitted and exports guaranteed.
"	October 1959	Liberation of the scheme for the import of cinematograph films not exposed against export of Indian films. Licences for raw film would henceforth be granted even to applicants having no past export performance subject to the presentation of evidence of firm orders placed with them by overseas buyers.
"	November 1959	Licences for the import of unexposed cinematograph films not exposed could be utilised for the import of photographic negatives upto 5% of their face value or Rs 5,000, whichever is less.
"	February 1960	Licences for raw films could be utilised upto 25% of the face value for the import of permissible types of studio equipment.

STATEMENT 76—(Contd.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS 1959-60—(Contd.)

C. Other Export Promotion Measures

(i) **Grant of draw-back of customs duty paid on imported materials used in the manufacture of commodities exported:** The scheme was enlarged to include rough diamonds processed in India and re-exported as finished diamonds (April 1959) and Jurex yarn used in the manufacture of fabrics exported (August 1959) and materials used in the manufacture of cosmetic preparations, polosticks and microgroove records (May 1959) of aluminium cables and conductors and plastic sequins (June 1959) and of some steel wire products (July 1959).

(ii) **Rebates of customs and Central excise duties paid on imported and excisable materials used in the manufacture of goods exported:** were announced in respect of textile machinery in May 1959, panel pins in June 1959, air conditioners and cement tiles in July 1959 electric power and distribution transformers in August 1959, rubber goods other than foot-wear (foot-wear being already eligible for the rebate) in September 1959, artificial teeth, provisions and refrigerators in November 1959, earth augers, zinc strips, weighing scales, and shuttles and bobbins for textile machinery in January 1960 and cork wadding, tea chests, typewriters, mild steel pins and clips, impregnated varnishes and super synthetic enamels used in the electrical industry and fishnet twine or cord in March 1960.

(iii) **Rebate of Central excise duty paid on materials used in the manufacture of exported goods:** The scheme was extended to cover the following goods when exported cotton blankets (June 1959), cotton handkerchiefs (October 1959) and cotton napkins (December 1959).

(iv) **The rate of rebate of Central excise duty on non-essential vegetable oils other than castor oil exported out of the country was increased from Rs 104 per ton to Rs 110 per ton in September 1959.**

(v) **Concessions granted by the Railway Board in respect of railway freight:** Effective from September 1, 1959 rebate of railway freight paid on manganese ore is allowed at the following rates based on the grade of ore and the distance moved by rail to the port of shipment.

<i>Rate of Rebate</i>	<i>Distance to Port</i>
<i>Medium grade ore</i>	<i>Low Grade ore</i>
Rs 2 18 per ton	Rs 2 99 per ton
„ 3 27 „	„ 4 90 „
„ 4 09 „	„ 5 99 „
„ 4 36 „	„ 6 33 „
	upto 300 miles
	From 301 to 400 „
	„ 401 „ 500 „
	„ 501 „ 600 „

In September 1959, a rebate of 50% was announced in respect of freight paid on consignments of bicycles and parts booked from Sonapet and Bahadurgarh to Amritsar for onward dispatch to Afghanistan via Pakistan.

In January 1960, the rebate of 50% on the railway freight was extended to the following commodities moved by goods trains to specified ports electric motors, cotton and hair belting, grinding wheels, machine screws, automatic hand tire inflators.

(vi) **Concessions in respect of the transport and fertiliser costs of the tea industry:** Government approved the Tea Board's scheme for meeting a part of the transport and fertiliser costs of tea gardens in Cachar and Tripura for an initial period of one year from October 1 1959. The former, i.e., the transport cost, would be met at the rate of Rs 1 58 and Re 0 61 per maund in respect of tea transported from Cachar by rail and river respectively and at Rs 3 68 per maund in respect of tea transported by air from Cachar. The latter, i.e., the fertiliser cost would be at the rate of Rs 122 per ton of ammonium sulphate purchased by tea gardens of 300 acres and below in Cachar and Tripura.

(vii) **Assistance for the purchase of machinery and equipment by the Tea Industry:** In March 1960, the Government also approved the Tea Board's scheme of assistance to tea estates and factories in acquiring machinery and equipment. The machinery and equipment would be procured by the Board in the first instance and supplied to factories applying for assistance on hire purchase basis subject to certain conditions, viz., (i) total value of an equipment supplied to a single unit would not exceed Rs 2 lakhs, (ii) 10 per cent would be deposited on application and 10 per cent would be paid on delivery, the balance being recoverable in 7 annual instalments, and (iii) the rate of interest would be 4½ per cent to co-operative societies and 6 per cent to others.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 76—(Concl.)

IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS 1959-60—(Concl.)

(viii) **Exemption from the operation of margins in the forward market.** The Forward Markets Commission exempted from the operation of margins open long positions held as hedge against castor oil export commitments in May 1959 and similar positions in respect of groundnut oil and linseed oil in June 1959.

(ix) A **Tobacco Procurement Scheme** was devised by the Tobacco Export Promotion Council for the procurement of medium grades of flue cured virginia tobacco for export to U.S.S.R. during the year. It envisages purchases of tobacco by authorised re-drying factories in loose graded form conforming to standard grade samples accepted by the buyers and thoroughly inspected before being packed.

(x) A **Freight Investigation Bureau** was set up by the Government in November 1959 in the office of the Director General of Shipping, Bombay, for the investigation of complaints regarding high ocean freight rates on goods exported from India.

(xi) **Priority of movement by rail for export commodities.** Imported raw cashewnuts meant for export would be granted priority of movement to the processing centres.

STATEMENT 77

CURRENT RATES OF EXPORT DUTIES

(As on March 31, 1960)

Item	Unit	Rate of Duty	Effective from
Tea	Lb	nP 24	March 1, 1959
Cotton raw	Bale of 400 lbs	Rs 25	November 17, 1958
Cotton waste(a) soft	..	15% ad valorem	November 29, 1957
.. hard	..	30% ad valorem	..
Jute raw cuttings	Bale of 400 lbs.	Rs 4 50	December 14, 1946
.. other descriptions	..	.. 15 00	..
Mercury	Flask of 75 lbs	.. 300	October 8, 1952
Rice(b)	Maund of 82½ lbs	nP 14	July 12, 1957

(a) Cotton waste, soft as well as hard, when exported from the state of Pondicherry through the port of Pondicherry is exempt from the payment of duty i.e. the rates of duty are 12½% and 47½% ad valorem respectively, on the two varieties.

(b) Includes husked and unhusked rice and rice flour but excludes rice bran and rice dust.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 78

INDIA'S BALANCE OF TRADE IN MERCHANDISE (a)
(Sea, Air and Land)
(PRIVATE AND GOVERNMENT)

(Lakhs of Rupees)

Year and Month		Imports (b)	Exports (c)	Balance
		1	2	3
1950-51		623.36	601.35	- 22.01
1955-56		704.81	609.41	- 95.40
1956-57		832.45	612.52	- 219.93
1957-58		993.58	621.31	- 372.27
1958-59		804.55	570.14	- 234.41
1959-60	"	851.42	645.72	- 205.70
April	1958	59.98	41.73	- 18.25
May	"	63.29	44.71	- 18.58
June	"	63.03	28.12	- 35.81
July	"	66.79	54.31	- 12.48
August	"	55.92	49.91	- 6.01
September	"	58.60	59.02	+ 42
October	"	56.99	56.10	- 89
November	"	68.65	49.57	- 19.08
December	"	85.75	52.40	- 33.35
January	1959	80.24	45.16	- 35.08
February	"	71.02	42.16	- 28.86
March	"	73.39	46.95	- 26.44
April		91.84	44.65	- 47.19
May	"	73.57	44.01	- 29.56
June	"	80.05	42.90	- 37.15
July	"	65.81	50.19	- 15.62
August	"	58.57	57.40	- 1.17
September	"	69.42	60.23	- 9.19
October	"	65.03	59.74	- 5.29
November	"	69.98	61.75	- 8.23
December	"	69.74	69.57	- 17
January	1960	62.68	52.05	- 10.63
February	"	69.12	49.81	- 19.31
March	"	75.61	53.42	- 22.19

(a) Excludes the value of articles under reference

(b) Exclude treasure imports and the value of certain special imports of foodgrains and stores for which full particulars are not available

(c) Include re-exports and exports of lend-lease silver to the U.S.A., but exclude treasure exports, transit trade and are on *f.o.b.* basis*N.B.* Figures are provisional and subject to revision*Source* Monthly Statistics of the Foreign Trade of India and the supplements published by the Director General of Commercial Intelligence and Statistics

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 79

INDIA'S IMPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	April-June 1958	July-Sept 1958	October-Dec 1958	Jan-March 1959	1958-59	April-June 1959	July-Sept 1959	October-Dec 1959	Jan-March 1960	1959-60
1 Iron and Steel	20,90	21,21	29,45	20,80	92,36	27,62	15,28	20,31	20,65	83,86
2 Non-ferrous base metals	8,03	8,18	8,42	7,37	32,05	8,42	9,46	10,86	9,91	38,65
3 Manufactures of metals	3,03	3,81	8,59	5,23	20,66	6,87	5,76	6,23	3,80	22,66
4 Machinery, other than electric	28,95	29,95	37,72	33,69	130,31	36,81	34,48	41,21	37,17	149,67
5 Electric Machinery, apparatus and appliances	11,95	11,59	11,22	11,80	46,56	12,91	12,93	12,37	11,24	49,45
6 Railway vehicles	7,25	7,09	8,94	6,67	29,95	16,44	3,47	2,82	3,64	26,37
7 Other Transport Equipments	6,72	6,51	9,48	8,49	31,20	10,15	11,37	11,01	8,83	41,36
8 Petroleum and Petroleum products	16,36	18,07	22,27	14,80	71,50	15,77	18,71	28,67	23,51	86,66
9 Chemical Elements and Compounds	6,53	7,53	8,46	8,37	30,89	11,66	10,72	10,28	9,42	42,08
10 Medicinal and Pharmaceutical products	2,46	2,67	2,20	1,95	9,28	2,23	2,61	2,04	2,82	9,70
11 Dyeing, Tanning and Colouring materials	1,94	2,73	2,32	2,11	9,10	2,14	2,85	2,44	2,54	9,97
12 Paper, Paper-board and manufactures thereof	1,51	2,20	2,35	1,94	8,00	2,20	2,93	2,60	2,83	10,56
13 Cereals and Cereal Preparations	29,34	15,12	92,38	22,35	159,19	45,13	33,67	21,84	13,74	114,38
14 Spices	54	147	37	85	3,13	52	94	51	68	2,35
15 Cashew nuts	2,12	1,79	1,51	2,23	7,65	91	82	2,11	3,42	7,26
16 Vegetable oils, non-essential	1,14	1,02	56	61	3,33	1,08	1,16	1,01	94	4,19
17 Cotton, raw and waste	11,21	5,03	5,99	6,12	28,35	13,10	9,01	6,53	12,63	41,27
18 Wool and other animal hair	3,01	2,95	2,09	2,32	10,37	3,07	2,17	1,61	2,82	9,67
19 Jute, including jute cuttings and waste	1,39	52	49	25	2,65	32	26	60	2,23	3,41
20 Others	..	22,80	31,88	38,00	36,87	129,55	34,12	39,21	38,53	36,21
Total Imports(a)	187,23	181,32	292,81	194,82	856,18	251,27	217,81	223,48	209,03	901,59

Note.—Figures are provisional.

(a) Excludes the value of articles under reference and treasure imports.

Source—Monthly Statistics of the Foreign Trade of India published by the Director General of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 80

INDIA'S EXPORTS OF PRINCIPAL COMMODITIES

(Lakhs of Rupees)

Commodities	April-June 1958	July-Sept 1958	Oct - Dec 1958	Jan - March 1959	April 1959-March 1959	April-June 1959	July-Sept 1959	Oct - Dec 1959	Jan - March 1960	April 1959-March 1960
1. Tea .	20.46	42.52	46.60	20.11	1,29.69	16.60	39.92	49.76	23.22	1,29.50
2. Jute manufactures(a)	20.74	32.27	23.17	23.86	1,00.04	23.85	31.50	28.94	24.68	1,08.97
3. Cotton piecegoods	10.23	10.86	11.87	12.51	45.47	11.69	15.88	21.24	15.45	64.26
4. Manganese ore	3.58	4.01	2.65	3.37	13.61	3.68	3.20	2.50	2.60	11.98
5. Iron ore and concentrates	2.48	3.05	1.69	2.30	9.72	3.98	3.04	3.42	4.41	14.85
6. Leather and leather manufactures	4.25	4.94	4.48	5.25	18.92	7.17	8.09	8.30	7.11	30.67
7. Oils, vegetable, non-essential	2.04	2.09	1.01	1.23	6.37	2.96	3.41	6.38	2.17	14.92
8. Cashew kernels	3.58	4.44	4.36	3.47	15.85	3.62	4.70	3.39	4.34	16.05
9. Cotton raw and waste	6.95	6.45	4.44	4.79	22.63	3.90	4.76	2.91	2.92	14.49
10. Tobacco, unmanufactured	5.96	3.19	87	4.66	14.68	5.64	1.81	83	5.34	13.62
11. Lac	1.48	1.40	1.21	1.61	5.70	1.31	1.61	1.57	1.80	6.29
12. Wool and other animal hair	1.93	3.10	1.97	2.66	9.66	2.82	2.87	3.87	2.65	12.21
13. Coir fibres, yarn and manufactures	1.69	1.91	2.66	1.97	8.23	1.84	2.36	2.62	2.05	8.87
14. Spices	1.60	2.07	2.31	2.03	8.01	1.66	2.34	4.14	6.34	14.48
15. Mica and manufactures thereof	2.34	2.77	2.71	2.59	10.41	2.82	2.87	2.88	2.38	10.95
16. Hides and skins, undressed	1.93	1.56	2.02	2.63	8.14	2.42	2.55	3.08	3.17	11.22
17. Coal, coke and briquettes	1.36	1.48	1.40	1.36	5.60	1.18	1.18	1.11	1.25	4.72
18. Essential oils, perfumes and flavouring materials	41	55	63	44	2.03	42	61	70	73	2.46
19. Coffee	1.74	2.79	2.03	1.33	7.89	2.74	1.10	1.09	1.41	6.34
20. Others	22.58	29.16	33.71	34.18	1,19.63	29.51	33.10	37.80	35.22	1,35.63
Total Exports(b)	1,17.33	1,60.61	1,51.79	1,32.55	5,62.28	1,29.81	1,66.90	1,86.53	1,49.24	6,32.48

Note—Figures are provisional

(a) Includes fabrics of jute, hessian bags, sacking bags, etc

(b) Includes the value of lend-lease silver exported to the U.S.A. but excludes re-exports, transit trade, treasure exports and the value of articles under reference

Source: Monthly Statistics of the Foreign Trade of India published by the Director General of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 81

EXPORTS OF TEA TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April-June 1958	July-Sept 1958	Oct-Dec 1958	Jan-March 1959	April- 1958-March 1959	April-June 1959	July-Sept 1959	Oct-Dec 1959	Jan-March 1960	April 1959-March 1960	
Africa											
Egypt	1,20	1,29	1,14	1,69	5,32	1,02	97	2,27	2,80	7,06	
Sudan	..	1,70	25	4	23	2,22	1,28	1,75	1,58	13	4,74
America, North											
Canada	1,15	1,30	1,28	1,10	4,83	76	1,37	1,19	1,39	4,71	
U.S.A.	1,07	1,75	1,29	1,58	6,29	74	1,79	2,03	1,60	6,16	
America, South											
Chile	7	4	3	4	18	11	3	10	11	35	
Asia											
Afghanistan	7	18	29	28	82	15	29	57	47	1,48	
Bahrain	21	4	16	8	49	9	5	11	12	37	
Iran	48	1,04	1,89	62	4,03	31	84	89	61	2,65	
Iraq	—	—	2	33	35	11	13	32	33	89	
Kuwait	21	12	14	17	64	18	6	11	18	55	
Saudi Arabia	5	5	9	7	26	7	6	6	4	23	
Trucial Oman	5	5	8	9	27	12	11	17	16	56	
Europe											
Germany, West	41	45	29	25	1,43	53	67	47	26	1,93	
Irish Republic	..	6	1,10	1,51	1,17	3,84	19	1,18	2,16	98	4,51
Netherlands	20	17	10	16	63	14	29	29	33	1,05	
Turkey	37	59	74	64	2,34	43	86	91	43	2,63	
U.K.	11,06	30,60	32,35	9,30	83,51	8,39	25,95	32,07	11,78	78,19	
Oceania											
Australia	70	37	28	22	1,57	32	46	44	35	1,57	
New Zealand	7	5	9	9	30	6	10	17	11	44	
Soviet Bloc											
Czechoslovakia	6	—	1	6	13	—	—	7	—	7	
Poland	19	2	5	—	26	17	41	14	5	77	
U.S.S.R.	95	2,64	4,01	1,82	9,42	1,37	2,45	3,47	79	8,08	
Other Countries	13	19	12	12	56	6	8	17	20	51	
Total(a)	20,46	42,52	46,60	20,11	129,69	16,60	39,92	49,76	23,22	129,50	

(a) Includes tea, green and tea, black.

Source Monthly Statistics of the Foreign Trade of India published by the Director General of Commercial Intelligence and Statistics

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 82

EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(Lakhs of Rupees)

Countries	April-June 1958	July-Sept 1958	Oct-Dec 1958	Jan-March 1959	April-March 1958-1959	April-June 1959	July-Sept 1959	Oct-Dec 1959	Jan-March 1960	April 1959-March 1960
(Gunny Cloth)										
Africa										
Egypt	12	30	1	5	48	—	4	56	17	77
America, North										
Canada ..	118	1,82	97	1,46	5,43	1,46	1,92	1,12	1,48	5,98
U.S.A. ..	560	7,49	7,72	9,85	30,66	8,85	7,28	8,22	8,19	32,54
America, South										
Argentina ..	136	5,05	1,69	1,07	9,17	87	4,15	1,65	1,79	8,46
Cuba ..	5	17	3	3	28	4	9	21	2	36
Uruguay ..	—	55	6	6	67	9	57	5	5	76
Asia										
Philippines ..	—	1	1	—	2	1	4	37	5	42
Europe										
Denmark ..	23	17	26	24	90	28	8	11	9	56
Germany, West	8	10	9	18	45	15	44	63	55	1,77
Turkey ..	7	2	38	32	79	17	13	7	10	47
U.K.	1,23	1,14	1,68	1,45	5,50	1,26	81	1,59	1,27	4,93
Oceania										
Australia ..	54	65	68	64	2,51	64	65	56	71	2,56
New Zealand ..	13	15	16	10	54	15	8	18	9	50
Soviet Bloc										
China ..	—	—	—	—	—	7	51	—	—	58
U.S.S.R. ..	41	—	25	43	1,09	35	19	26	40	1,20
Other Countries ..	51	46	59	59	2,15	60	69	1,02	1,05	3,36
Total ..	11,51	18,08	14,58	16,47	60,64	14,99	17,67	16,55	16,01	65,22
(Gunny Bags)										
Africa										
Egypt ..	37	95	32	23	1,87	67	33	72	40	2,12
Kenya ..	10	18	17	4	49	8	11	15	9	43
Mozambique ..	14	11	29	31	65	3	4	5	7	19
Nigeria ..	68	74	23	13	1,78	10	42	23	10	85
Sudan ..	4	38	33	13	88	2	21	1,45	22	190
Tanganyika ..	32	7	7	7	53	18	12	9	12	51
America, North										
U.S.A. ..	43	56	22	38	1,59	99	1,07	6	51	2,63
America, South										
Chile ..	14	13	9	7	43	15	21	9	9	54
Cuba ..	4	3,18	1,01	11	4,34	4	1,24	87	3	2,18
Peru ..	19	15	13	28	75	22	35	31	29	1,17
Asia										
Burma ..	14	22	12	9	57	15	32	94	35	1,76
Hongkong ..	4	23	5	15	47	10	8	4	10	32
Indonesia ..	47	9	62	35	1,53	1	86	1	1,06	2,64
Iraq ..	11	2	4	5	22	5	11	17	9	42
Philippines ..	3	26	38	11	78	12	11	13	10	46
Thailand ..	13	27	29	40	1,09	20	17	59	22	1,18
Europe										
Belgium ..	16	28	18	14	76	14	18	47	63	1,42
Germany, West	9	12	6	8	35	5	10	10	14	39
Netherlands ..	14	19	26	9	68	10	11	8	5	34
Turkey ..	3	2	—	39	44	7	7	2	6	22
U.K. ..	57	64	30	45	1,96	43	40	39	35	1,57
Oceania										
Australia ..	1,11	2,49	1,68	1,37	6,65	1,39	1,96	92	79	5,06
New Zealand ..	..	61	73	22	14	1,70	39	59	18	1,36
Soviet Bloc										
China ..	—	—	77	—	77	36	2,96	1,44	13	4,89
Other Countries ..	3,16	2,18	76	1,83	7,93	2,12	1,71	2,77	2,50	9,10
Total ..	9,24	14,19	8,59	7,39	39,41	8,86	13,83	12,29	8,67	43,65

Source: Monthly Statistics of the Foreign Trade of India published by the Director General of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 83

EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(Rs lakhs)

Countries	April-June 1958	July-Sept 1958	Oct-Dec 1958	Jan-March 1959	April 1958-March 1959	April-June 1959	July-Sept 1959	Oct-Dec 1959	Jan-March 1960	April 1959-March 1960
Africa										
Kenya	41	55	64	61	2,21	66	62	61	50	2,39
Nigeria	63	95	73	41	2,75	31	56	49	58	1,94
Sudan	.	74	31	34	—	1,39	47	2,26	4,14	69
Tanganyika	31	39	28	29	1,27	45	51	33	21	1,50
America, North										
Canada	26	30	31	23	1,10	35	31	42	31	1,39
U.S.A.	2	3	9	12	26	29	78	2,27	99	4,33
Asia										
Aden	57	60	67	69	2,53	47	47	73	53	2,20
Afghanistan	34	24	27	49	1,34	28	24	29	31	1,12
Burma	11	4	6	73	94	64	49	1,33	42	2,88
Ceylon	61	70	1,38	75	3,44	87	1,12	81	90	3,70
Malaya (including Singapore)	67	77	93	95	3,32	87	93	1,21	99	4,00
Europe										
Belgium	1	—	—	—	1	—	—	5	9	14
Germany, West	1	—	3	3	7	6	2	5	3	16
Netherlands	4	3	2	3	12	4	8	13	10	35
U.K.	1,54	1,95	1,99	2,77	8,25	1,94	3,30	4,24	4,44	13,92
Oceania										
Australia	1,22	1,17	1,35	1,14	4,88	86	1,44	1,55	1,28	5,13
Other Countries	2,71	2,83	2,78	3,27	11,59	3,13	2,75	2,59	3,08	11,55
Total	10,23	10,86	11,87	12,51	45,47	11,69	15,88	21,24	15,45	64,26

Source: Monthly statistics of the Foreign Trade of India published by the Director General of Commercial Intelligence and Statistics.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 84

INDIA'S TRADE AGREEMENTS, 1959-60

Country	Date of Agreement	Duration	Commodity Details	Other Particulars
A. Agreements concluded by the Government of India:				
1. Afghanistan	August 11, 1959	Valid from July 21, 1959 upto July 20, 1960	<i>Imports:</i> 1. Fish and animal materials, medicinal, skins and skins and medicament factors. <i>Exports:</i> Tea, coffee, spices, vegetable oil, dyes and dyestuffs, cotton, woolen, silk, art silk and jute textiles, light engineering goods, electrical appliances and accessories, hardware, footwear, films etc.	Payment for goods exchanged under this agreement would be in accordance with L.P. and P.I. procedures or through a special self-balancing account opened by the Da Afghanistan Bank with the State Bank of India.
2. Bulgaria	May 18, 1959 (Protocol)	Valid upto December 31, 1959	<i>Imports:</i> Machinery of various kinds electric, generators, laboratory instruments, cuistic, soda ash, anhydrites, raw silk etc. <i>Exports:</i> Tea, black pepper, castor nuts, shellac, processed hides and skins, leather goods, cotton and woollen textiles, jute manufactures, cork products, handicrafts, films exposed etc.	This is a protocol to the Indo-Bulgarian trade agreement of April 1956 amending the payment clauses, commercial and non-commercial transactions, e.g., exports and imports, freight, insurance, cultural tour, maintenance of legations, etc. would be effected in non-convertible Indian rupees through special accounts opened for the purpose by the Bulgarian National Bank with the Reserve Bank of India and with the Indian commercial bank authorised to deal in foreign exchange. It also states that at the expiry of the agreement, it would be used to agree to export goods by either country or settled by mutual agreement.
3. Burma	September 29, 1959	Valid from January 1, 1960 upto December 31, 1962	<i>Imports:</i> 1.5 lakh tons of rice. <i>Exports:</i> Cement, pig iron, textile machinery, diesel engines, handloom cloth, etc.	This is a special agreement additional to the 5 year trade agreement of September 1956 between India and Burma. Payments for imports and exports under this agreement would be made in non-convertible Indian rupees.
4. Chile	March 10, 1960	Valid from January 1, 1960 to December 31, 1962	<i>Imports:</i> Barley, sulphur, copper and copper manufactures, lead, Chilean nitrate, etc.	India would import 75,000 tons of Chilean nitrate over a period of three years.

REPORT ON CURRENCY AND FINANCE, 1959-60

Exports Tea, coffee, spices, cashew kernels, tobacco, mica, manganese ore, shellac, vegetable oils, cotton piecegoods, jute and cotton manufactures, light engineering goods, pig iron, sports goods etc.

Validity of the agreement of October 1954 further extended upto December 31, 1959.
Valid from July 1, 1959 upto September 30, 1960.

May 25, 1959

China

December 18, 1959
Valid upto December 31, 1962.

May 30, 1959

Czechoslovakia

October 19, 1959
Valid upto October 18, 1960

France

January 1, 1960 upto December 31, 1962

Germany, East

October 30, 1959

Germany, West

March 2, 1960

Greece

This is a protocol to the Indo-Czechoslovak agreement of 1957 amending the payments clauses to provide for settlement of transactions in non-convertible Indian rupees through special accounts as in the case of the protocol to the agreement with Bulgaria.

A joint economic commission composed of the representatives of the two Governments would be constituted to promote larger purchases of each other's goods. All payments of a commercial and non-commercial nature would be effected in non-convertible Indian rupees, through special accounts opened and operated by the Deutsche Bank on lines similar to those indicated in the Protocol to the agreement with Bulgaria.

Imports Machinery of various kinds (e.g., mining, earth-drilling, textile, and chemical industries), electric and diesel locomotives, photographic cameras and lenses, optical and scientific instruments, clinical thermometers, raw films, drugs and medicines, fertilisers etc
Exports Tea, coffee, pepper and other spices, tobacco and cigars, mica, hides and skins, iron-ore, cotton and jute manufactures etc
Imports No list is attached
Exports (items subject to quotas in West Germany) cotton piecegoods, furnishings, towelling and blankets, staple fibre fabrics, sewing machines, cotton manufactures, vegetable oils processed or hydrogenated for human consumption, canned tropical fruits roasted and salted cashewnuts, ground-nuts etc.

Validity of agreement of February 1958 extended upto December 31, 1960.

The agreement was modified to include sugar as an additional item of export to Greece

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 84—(Contd.)
INDIA'S TRADE AGREEMENTS, 1959-60—(Contd.)

Country	Date of Agreement	Duration	Commodity Details	Other Particulars
11. Hungary	June 15, 1959 (Protocol)	Valid upto December 31, 1959		Payment provisions would be similar to those contained in the protocol to the agreement with Bulgaria. The accounts would be opened and operated by the National Bank of Hungary
12. Indonesia	January 13, 1960	Validity of agreement of June 1954 extended for a further period of six months upto June 30, 1960		
13. Iraq	July 15, 1959	Validity of agreement of January 1953 extended upto December 31, 1959 Further extended upto June 30, 1960 February 19, 1960 on		
14. Italy	October 6, 1959	Valid upto May 16, 1961	Imports Dairy products, cotton yarn and fibres raw silk, staple fibre, art silk, yarn, vehicles and parts thereof, railway rolling stock, railway and tramway axles, wheels and tyres, dyeing, bleaching and mercerising machinery, air-conditioning machinery etc. Exports Tea, Spices, tobacco, cigars and cigarettes, vegetable oils, groundnuts, stellac, coal, hides and skins, cotton raw and waste, jute goods, coir, jute and manufactures, films exposed, etc	This was a ratification of the agreement of December 1958
15. Jordan	January 14, 1960	Valid upto January 13, 1961	Imports Rock phosphate, potash and bromine, gypsum for cement manufacture, wool, goat skins and olive oil Exports Tea, coffee, spices, cotton and woollen textiles, jute, silk and art silk manufactures, light engineering goods, sports goods etc	A joint economic commission composed of the representatives of the two Governments would be constituted to secure an expansion of trade between the two countries.

REPORT ON CURRENCY AND FINANCE, 1959-60

This is a limited payments agreement providing for the exchange of commodities on a balanced basis unto Rs 2 crores each way, and would be in addition to the agreement of 1957-60.

The Protocol to the agreement which is in supersession of the limited payments agreement of December 1959 stipulates for the exchange of specified commodities, of the value of Rs 4.1 crores each way, payments for these would be in non-convertible Indian rupees, through a special account opened and operated by the National Bank of Pakistan with the State Bank of India.

The Protocol to the agreement which is in supersession of the limited payments agreement of December 1959 stipulates for the exchange of specified commodities, of the value of Rs 4.1 crores each way, payments for these would be in non-convertible Indian rupees, through a special account opened and operated by the National Bank of Pakistan with the State Bank of India.

All payments of a commercial and non-commercial nature would be made in non-convertible Indian rupees, through special accounts opened and operated by the National Bank of Pakistan with the State Bank of India.

All payments for goods imported/

exported under this agreement and other specified payments would be made in non-convertible Indian rupees, through special accounts opened and operated by the State Bank of the Rumanian People's Republic on lines similar to those indicated in the protocol to the agreement with Bulgaria.

A joint economic commission composed of the representatives of the two governments would be constituted

to promote larger purchases of each other's goods and cooperation between the trade and industrial organisations of the two countries.

Valid upto December 2,
1960

December 3, 1959

Pakistan

Valid upto March 20,
1962

"

"

Valid from January 1,
1960 upto December 31,
1962

November 2, 1959

Poland

Valid upto May 13, 1962

May 14, 1959

Rumania

Indefinite

November 6, 1959

Switzerland

Imports Fresh fruits, fruit plants, seeds and bulbs raw cotton eggs and poultry newspaper and paper, books and periodicals, films etc.

Exports Fresh fruits fruit plants, seeds and bulbs, bird leaves, cement, couch shells, hardware, light engineering goods, machinery, films etc

Imports Raw jute and jute cuttings, kapok, raw cotton, fish dried eggs and salted, eggs and poultry, skins, hides and skins, sports goods etc

Exports Coffee, coal, mica, electrical instruments chemicals cement, bicycles, and appliances cement, bicycles, iron and steel, stone boulders, fire bricks, khar salt, beet leaf, leaves, books and periodicals, cinema films etc

Imports Textile, mining and drilling machinery, equipment for cement and chemical industries, tankers machine tools, laboratory and optical instruments and apparatus, newsprint etc

Exports Tea, coffee, spices, hides and skins, mica, iron ore and manganese ore, shellac, tobacco, cotton textiles, pig iron, cashew shell oil etc

Imports Petroleum products, chemicals, cement, railway sleepers, machine tools, textile machinery, certain types of electrical goods, railway rolling stock etc

Exports Tea, coffee, spices iron ore, mica, shellac, hides and skins raw cotton, wool raw and waste jute in manufactures sports goods etc

Imports (not given)

(Commodities for which there is considerable scope for increased sales in the Swiss market) Tea, cashewnuts, spices, furraw-manganeze, mica, shellac, cotton and silk waste essential oils bristles, brassware, carpets etc

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 84—(Contd.)
INDIA'S TRADE AGREEMENTS, 1959-60—(Contd.)

Country	Date of Agreement	Duration	Commodity Details	Other Particulars
20. United Arab Republic (Egyptian Region)	August 1, 1959	Imports Exports* Tea, jute goods and non-traditional items	Raw cotton	This is a special agreement according to which payment for the imports of Egyptian cotton would be in Indian rupees, the proceeds being utilized to finance specified Indian exports to Egypt and for repayment of India's loan to Egypt. A special account would be opened by the National Bank of Egypt with the State Bank of India for this purpose.
"	March 21, 1960	Imports Exports* Tea, jute goods and non-traditional items	Rice.	The agreement is with Miss Foreign Trade Company, Cairo. Payments for rice imports would be in non-convertible Indian rupees, which would be used for Egypt's purchases of specified Indian goods.
21. Viet Nam (North)	January 6, 1960	Valid upto December 31, 1960 upto December 31, 1962	Valid upto December 31, 1959	This is also a protocol amending the payment provisions in the Agreement of March 1956 on lines similar to those indicated in the protocol to the agreement with Bulgaria. The accounts would be opened and operated by the National Bank of the Federal People's Republic of Yugoslavia.
22. Yugoslavia	May 25, 1959	Imports Exports* Tea, coffee, spices, tobacco, shellac, raw cotton, mica, iron ore, manganese ore, cotton textiles and jute goods, hides and skins, light engineering goods etc.	Ships (passenger, cargo and articles of non-ferrous metals, special steel tractors, diesel and steam locomotives, electrical apparatus etc.)	Same as above

REPORT ON CURRENCY AND FINANCE, 1959-60

Trading Corporation

B.	Agreements concluded by the State Trading Corporation	
1. China (Chinese National Trading Corporation)	June 16, 1959 Intercambi Generale (COGILS), Milan) —	Validity of the agreement extended upto December 31, 1959

2.

Italy (Compagnia Generale Intercambi (COGILS), Milan) —	October 12, 1959	Valid upto December 31, 1960
Agreement (i)		

Agreement (ii)

Agreement (iii)

1. Japan (Nishio Company Limited, Tokyo)	September 1, 1959
(ii) Representatives of authorised importers of Indian salt,	October 31, 1959

* Exports of certain other commodities e.g., pepper, tobacco turmeric, mica, medicinal and surgical instruments, electric fans, sewing machines and bicycles would be against other imports from Egypt which would also be paid for in Indian rupees,

Exports Coarse marine salt	
Exports Tobacco,	

Imports Caustic soda, soda ash, newsprint in reels and sheets, raw silk, bleaching powders, menthol, mercury etc.	Payment for Indian exporters would be in rupees and for Italian exporters in £ sterling.
<i>Exports</i>	
Gunny bags, mica, shellac, chrome ore, crude drugs, sandalwood etc.	
Imports Caustic soda and soda ash, pharmaceutical chemicals etc.	Nitrogenous fertilizers, dyes and intermediates, alkalies, caustic soda and soda ash, pharmaceutical chemicals etc.
Exports Tea, coffee, mica, shellac, hides and skins, jute yarn and products, tobacco, cashew-nuts, sports goods, ornamental beads, crushed bones, etc.	Tea, coffee, mica, shellac, hides and skins, jute yarn and products, tobacco, cashew-nuts, sports goods, ornamental beads, crushed bones, etc.
Imports Iron and steel, ball bearings, machine tools, items required for railways, diesel engines, motor cars, transport vehicles etc.	Iron and steel, ball bearings, machine tools, items required for railways, diesel engines, motor cars, transport vehicles etc.
Exports Iron ore, manganese ore, hides and skins, raw cotton, cotton and woollen textiles, oils and oil-cakes, pig iron, tobacco, cashew-nuts, sports goods etc.	Iron ore, manganese ore, hides and skins, raw cotton, cotton and woollen textiles, oils and oil-cakes, pig iron, tobacco, cashew-nuts, sports goods etc.
Imports Rayon and synthetic yarns	Rayon and synthetic yarns
Exports Cotton yarn and textiles, handloom piecegoods, cotton raw waste, wool raw, sheep casings, linoleum, wood and timber, jute yarn and products, tobacco, cashew-nuts etc.	Cotton yarn and textiles, handloom piecegoods, cotton raw waste, wool raw, sheep casings, linoleum, wood and timber, jute yarn and products, tobacco, cashew-nuts etc.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 84—(Contd.)
INDIA'S TRADE AGREEMENTS, 1959-60—(Contd.)

Country	Date of Agreement	Duration	Commodity Details	Other Particulars
4. Lebanon (filature Nationale De Coton Assey & Co., Beirut).	May 19, 1959	Valid upto May 19, 1960	<i>Imports</i> Cotton yarn of counts 80 and above <i>Exports</i> Tea, spices tobacco jute goods cotton textiles light engineering goods, half tanned leather industrial alcohol hydro-generated vegetable oils etc.	Payments would be made in non-convertible Indian rupees except for 50 per cent of exports of jute goods and tea, which would be paid for in sterling. A special account would be opened for this purpose with the State Bank of India.
5. Switzerland (Andre & Cie S.A. Lausanne)	March 7, 1960	March 6, 1961	<i>Imports</i> Watches dye-stuffs pharmaceuticals insecticides machine tools industrial equipment, automatical looms etc <i>Exports</i> Tea, cotton and woollen textiles, tobacco, mica, shellac, jute and coir manufactures	Payments would be made in non-convertible Indian rupees through a special account to be opened with the State Bank of India.
6 Viet Nam (National Agricultural Import & Export Corporation)	October 16, 1959		<i>Exports</i> 1.5 million Jute bags	Payments would be made in Indian rupees
			C. Joint Communiqué on Trade and Economic Relations	
1. Belgium	October 1959			The two Governments agreed <i>inter alia</i> that (i) for fuller expansion of trade between the two countries, every effort should be made to develop mutually beneficial cooperation between the trading organisations industrial enterprises and banking institutions in the two countries and (ii) representatives of the two countries should consult each other from time to time to promote closer economic and commercial relations between the two countries.
2. Iran	January 6, 1960			The two delegations felt that there was reasonable scope for expanding trade in traditional items beyond the present levels and that trade could be extended to new items like sulphur, zinc, lead, copper, cotton raw, hides and skins from Iran and light engineering goods, drugs and medicines, chemicals and pharmaceuticals, and rayon piece goods from India

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 85

TARIFF COMMISSION, 1959-60

Industry	Purpose	Main Observations of the Commission	Government's Action on the Recommendations	
			3	4
A. Tariff Inquiries :				
1. Sago	Continuance of protection	Protection granted to the sago industry should be discontinued with effect from January 1, 1960.	Accepted	Accepted
2. Hydroquinone	"	Protection granted to the hydroquinone industry should be discontinued with effect from January 1, 1960.	Accepted	Accepted
3. Grinding Wheels	"	1 Protection granted to the grinding wheels industry should be discontinued with effect from January 1, 1960. 2 Concession at present enjoyed by the grinding wheels industry of importing synthetic abrasive grains duty-free, should be extended for a further period until abrasive grains of suitable quality are indigenously produced in sufficient quantity and at a reasonable price	Government accepted the recommendation (1) and have taken note of recommendation (2) and duty concession in question will be continued for the present.	Accepted
4. Machine Screws	"	Protection granted to the machine screws industry should be discontinued with effect from January 1, 1960	Accepted	Accepted
5. Cotton and Hair Belting	"	Protection granted to the cotton and hair belting industry should be discontinued with effect from January 1, 1960. Hair and woolen yarn exclusively used for the manufacture of hair belting should continue to be exempted from payment of customs duty as at present	Accepted	Accepted
6. Automobile Leaf Spring	"	Protection granted to the automobile leaf sprung industry should be discontinued with effect from January 1, 1960	Accepted	Accepted
7. Stearic and Oleic Acids	"	Protection granted to the stearic and oleic acids industry should be extended for a further period of three years with effect from January 1, 1960 at the existing rates of duty i.e. 35 per cent ad valorem or 50 Naye Paise per lb whichever is higher	Accepted	Accepted
8. Diesel Fuel Injection Equipment	"	Protection granted to the diesel fuel injection equipment industry should be continued for a further period of four years ending December 31, 1963 and the rate of protective duty should be reduced from the existing level of 60 per cent ad valorem (Standard) to 25 per cent ad valorem	The revised rate of protective duty was brought into force with effect from November 18, 1959	Accepted
9. Plastics (Phenol Formaldehyde Moulding Powder and Buttons)	"	Protection granted to the phenol formaldehyde moulding powder industry may be continued at the existing level of duty of 35 per cent ad valorem for a period of three years i.e. till December 31, 1962	Accepted	Accepted
This has been accepted and with the concurrence of the Commission the duty concession was withdrawn from December 8, 1959.				

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 85—(Contd.)
TARIFF COMMISSION, 1959-60

Industry	Purpose	Main Observations of the Commission		Government's Action on the Recommendations 4
		1	2	
A. Tariff Inquiries—(Contd.)	10 Non-ferrous Metals	Continuance of protection	1 Protection granted to copper and brass sheets commercial and industrial [I.C.T. Items Nos. 64(1) and 70(A)] lead sheets for tea-chests [I.C.T. Item No. 67(1)] and lead strips [I.C.T. Item No. 67(4)] may be discontinued on the expiry of the current period of protection on December 31, 1959.	Accepted.
	11 Acetate Rayon Yarn	Examination of the cost of production of acetate rayon yarn produced by the Sarsilk Mills Ltd., Surpur (Kashgar, Nagar)	2 Protection granted to lead sheets other than sheets for specified [I.C.T. Item No. 67(2)], zinc sheets not otherwise No. 68(6), copper rods other than electrolytic copper rods [I.C.T. Item No. 64(3)], brass rods [I.C.T. Item No. 70(5)], copper pipes and tubes [I.C.T. Item No. 64(5)] and brass pipes and tubes [I.C.T. Item No. 70(A)] may be continued for a further period of three years from January 1, 1960, at the existing rates of protective duties	Accepted
B. Price Inquiries :	11 Acetate Rayon Yarn	Examination of the cost of production of acetate rayon yarn produced by the Sarsilk Mills Ltd., Surpur (Kashgar, Nagar)	1 Andhra Pradesh Government should be requested to consider sympathetically the representation of the Company (Sarsilk Mills Ltd., Surpur) for reduction of the price of power alcohol and reconsider the policy regarding payment of galliorge fee on alcohol consumed by the Company	The Government of India generally agreed on the principles adopted by the Commission for determining the cost of production of acetate yarn and accepted all the recommendations
			2 The excise duty of Rs. 70 per gallon levied by the Andhra Pradesh Government on alcohol used by Sarsilk should be removed forthwith	
			3 Surpur Paper Mills Ltd. should continue to supply electrical energy to Sarsilk at the same rate at which it has been made available till now	
			4 The Commission recommended the following fair selling prices for acetate yarn of 'A' grade for Bombay (inclusive of excise duty)	DENIERS 300 150 120 Yarn Cone Rs. Rs. Rs. Bright yarn per lb 4.64 4.91 5.16 Dull yarn per lb 4.67 4.95 5.19 Yarn Hawked — — — Bright yarn per lb 4.51 4.82 5.07 Dull yarn per lb 4.54 4.86 5.10

The above prices are inclusive of selling commission and it is not necessary to add any extra element by way of selling commission on retail sales.

REPORT ON CURRENCY AND FINANCE, 1959-60

5. The sum of Rs 228.57 lakhs outstanding in respect of loan from the Andhra Pradesh Government should be converted into ordinary share capital of Srisilk
 6. Accumulated interest on loan amounting to Rs 88.25 lakhs should be treated as interest-free and payment of this amount should be deferred until arrears of depreciation and preference dividend are completely written off.
 7. Birla Brothers should arrange for the working capital required by the Company and should take steps to release the Andhra Pradesh Government from the guarantees given to the State Bank of Hyderabad in respect of loan amount upto Rs 50 lakhs. After this is done, the Andhra Pradesh Government should release all movable assets of the Company held by them as security against the outstanding loan amount.
 8. The future earnings of the Company from yarn as well as fibres should be utilised according to an order of priorities. The Company should, after setting aside the amount required for payment of interest on working capital, managing agents' commission and other miscellaneous expenditure, utilise the balance for writing off arrears of depreciation. The next charge should be towards payment of arrears of cumulative preference dividend.
 9. After the necessary reconstruction of the capital structure is carried out, a review of the case may be undertaken to ascertain what kind of further assistance is required to ensure the smooth working of the Company.
 10. The Company should be allowed to use acetate yarn from its own production for working 480 looms on 2 shift basis having regard to the reasonable pattern of production and the quantity of other types of yarn used by II
 11. The fair ex-works prices of papers and paper boards which do not include selling expenses, freight or selling commission and which are applicable in accordance with existing practice to Government purchases and the fair selling prices of papers and paper boards inclusive of freight to all destinations in the country and selling commission, but exclusive of excise duty, State Government or local levies, should be fixed as shown below —
 12. Paper and paper boards
- The Government of India accepted the Commission's recommendations regarding prices and the paper mills have been called upon to issue a revised list accordingly, with effect from January 1, 1960.
- The fair ex-works prices of papers and paper boards which do not include selling expenses, freight or selling commission and which are applicable in accordance with existing practice to Government purchases and the fair selling prices of papers and paper boards inclusive of freight to all destinations in the country and selling commission, but exclusive of excise duty, State Government or local levies, should be fixed as shown below —
- Fair ex-works and fair selling prices of paper and paper boards (including Art paper and Art boards, Chromo paper and Chromo paper boards, Poster paper and Blue match paper but excluding cigarette paper and other tissue papers, newspaper, straw boards, corrugated boards, and mill boards).

STATEMENT 85—(Concl'd.)

TARIFF COMMISSION, 1959-60

Industry	Purpose	Main Observations of the Commission		Government's Action on the Recommendations ⁴
		1	2	
B Price Inquiries—(Concl'd.)				

	Type of Paper*	Fair ex-works price nP per lb (applicable to Government purchase)	Fair selling price nP per lb
1	White printing paper	57	68
2	Unbleached printing	54	64
3	Offset Cartridge	57	68
4	Antique laid wove	57	68
5	Cream laid wove	60	71
6	Imitation Art	57	68
7	Art Paper	89	102
8	Banks and Bonds	65	77
9	Typewriting Bonds	69	80
10	Poster Paper	57	68
11	Kraft	52	62
12	Wrapper	51	61
13	Match Paper	55	65
14	Blotting Paper	63	74
15	Pulp Board	57	68
16	Duplex Board	57	68
17	Ticket Board and	57	68
18	Triplex Board	56	67
19	Air Board	83	96
	Chromo Board	72	83

* The types of papers and paper boards for which the Commission recommended prices were 24 in number but only important items have been mentioned above for illustration purposes.

The Commission also recommended that the present trade practice of permitting distributors/wholesalers to add commission upto 7½ per cent on the fair selling prices for resale to retailers (dealers) and paper merchants should be discontinued.

2

The Commission has prepared four separate cost schedules applicable to four regions—the regions being (a) Northern region comprising the States of U.P., Bihar and Punjab, (b) Bombay State, (c) M.P. and Rajasthan and (d) Southern region comprising the States of Andhra Pradesh, Madras and Mysore. The Commission has clarified that Kerala should be covered by the cost schedule for the Southern region and Orissa, West Bengal and Assam by the schedule for the Northern region.

The Government of India accepted these recommendations of the Commission and have decided to make use of the cost schedules prepared by the Commission to fix the controlled prices of sugar where necessary **.

REPORT ON CURRENCY AND FINANCE, 1959-60

2 The Commission has recommended that in addition to the cost of production derived from the cost schedules with reference to duration of person and rate of recovery of sugar, 12 per cent return on capital employed should be allowed so as to provide sufficient funds for each unit to meet its commitments under bonus and gratuity, interest on borrowed capital and debentures, dividend on preference shares, managing agents' commission and income tax and finally leave a residue to a large majority of the units in all regions to declare reasonable dividends

3 The Commission has not recommended the grant of any rehabilitation allowance for fixation of ex-factory price, since the Commission has come to the conclusion that such an allowance is not justified for all units in the sugar industry. The Commission has suggested that any unit which requires additional funds for purpose of rehabilitation should seek assistance from the financing institutions

C. Others:

14 Iron and Steel

Levy of interest on special advances to the Tata Iron and Steel Co., Ltd and Indian Iron and Steel Co., Ltd

- 1 The ways and means position of the Indian Iron and Steel Co. at the end of 1959-60 is expected to be comfortable. The Tata Iron and Steel Co. will have to raise additional resources by way of fresh share capital to balance their ways and means position
- 2 Interest on the special advances granted to the Tata Iron and Steel Co. and the Indian Iron and Steel Co. should be charged at the rate of 5 per cent per annum
- 3 Interest on the special advances should be charged to the two Companies as from July 1, 1958 at 5 per cent per annum. The actual recovery of the amounts may, however, be postponed until a decision is taken regarding the common retention price to all the main producers of iron and steel both in the public and private sectors after March 31, 1960
- 4 The calculation of a special element in the *named* retention price for steel for meeting interest charges on the special advances should be postponed until after March 31, 1960 when it will be necessary to work out the cost of production and fair profit required by the two Companies (Tata Iron and Steel Co and Indian Iron and Steel Co) along with other producers of steel.

REPORT ON CURRENCY AND FINANCE, 1959-60

STATE

STERLING TRANSACTIONS OF THE RESERVE BANK

FORWARD CONTRACTS

		Purchases(a)		Sales(b)		Net Purchases (+) Sales (-)	
		£ thousands	Rs lakhs	£ thousands	Rs lakhs	£ thousands	Rs lakhs
1	1950-51	344,098	458,80	21,526	28,73	+ 322,572	+ 430,07
2	1955-56	98,150	130,87	4,985	6,64	+ 93,165	+ 124,23
3	1956-57	91,420	121,90	11,130	14,85	+ 80,290	+ 107,05
4	1957-58	42,022	56,05	29,525	39,40	+ 12,497	+ 16,65
5	1958-59	44,226	58,97	17,610	23,50	+ 26,616	+ 35,47
6	1959-60	34,235	45,64	350	47	+ 33,885	+ 45,17
7	April 1958	1,310	1,75	250	33	+ 1,060	+ 1,42
8	May "	3,765	5,02	25	3	+ 3,740	+ 4,99
9	June "	1,350	1,80	13,580	18,13	- 12,230	- 16,33
10	July "	3,967	5,29	3,125	4,17	+ 842	+ 1,12
11	August "	3,100	4,13	—	—	+ 3,100	+ 4,13
12	September "	6,825	9,10	—	—	+ 6,825	+ 9,10
13	October "	7,700	10,27	—	—	+ 7,700	+ 10,27
14	November "	4,115	5,49	—	—	+ 4,115	+ 5,49
15	December "	5,069	6,76	605	81	+ 4,464	+ 5,95
16	January 1959	2,305	3,07	—	—	+ 2,305	+ 3,07
17	February "	1,090	1,45	25	3	+ 1,065	+ 1,42
18	March "	3,630	4,84	—	—	+ 3,630	+ 4,84
19	April "	655	87	50	7	+ 605	+ 80
20	May "	1,150	1,53	75	10	+ 1,075	+ 1,43
21	June "	935	1,25	50	7	+ 885	+ 1,18
22	July "	3,800	2,40	—	—	+ 1,800	+ 2,40
23	August "	2,245	2,99	—	—	+ 2,245	+ 2,99
24	September "	6,815	9,09	—	—	+ 6,815	+ 9,09
25	October "	4,545	6,06	100	13	+ 4,445	+ 5,93
26	November "	5,635	7,51	25	3	+ 5,610	+ 7,48
27	December "	3,360	4,48	—	—	+ 3,360	+ 4,48
28	January 1960	2,335	3,11	50	7	+ 2,285	+ 3,04
29	February "	1,325	1,77	—	—	+ 1,325	+ 1,77
30	March "	3,435	4,58	—	—	+ 3,435	+ 4,58

Note.—Rate for both forward and spot purchases is 1 sh. 6 d., rates for forward and spot sales are 1 sh. 5-31/32 d. and 1 sh. 5-63/64 d., respectively. Totals may not add up owing to rounding and conversion. (a) Include cancellations of forward sale contracts. (b) Include cancellations of forward purchase contracts.

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MENT 86

OF INDIA (EXCLUDING GOVERNMENT TRANSACTIONS)

DELIVERIES

Spot Transactions				Against Forward Contracts				Total Deliveries	
Purchases		Sales		Purchases		Sales		Net Purchases(+)	Sales(-)
£ thousands	Rs lakhs	£ thousands	Rs lakhs	£ thousands	Rs lakhs	£ thousands	Rs lakhs	£ thousands	Rs lakhs
1,075	1,43	88,092	117,56	216,974	289,30	730	97	+ 129,227	- 172,20
10,015	13,36	68,404	91,29	97,230	129,65	—	—	+ 38,841	- 51,72
4,360	5,82	213,003	284,25	65,140	86,83	800	1,07	- 144,303	- 192,67
2,800	3,73	129,298	172,53	51,627	68,83	14,425	19,26	- 89,296	- 119,23
12,046	16,05	38,367	51,20	47,437	63,23	10,755	14,36	+ 10,361	+ 13,72
23,999	32,01	18,227	24,32	37,309	49,73	130	18	+ 42,951	+ 57,24
75	10	11,782	15,72	3,030	4,04	370	49	- 9,047	- 12,07
10	1	7,090	9,46	1,705	2,27	100	13	- 5,475	- 7,31
15	2	11,345	15,14	4,210	5,61	—	—	- 7,120	- 9,51
—	—	7,005	9,35	1,832	2,44	1,930	2,58	- 7,103	- 9,49
—	—	845	1,13	2,753	3,67	2,795	3,73	- 887	- 1,19
415	55	105	14	5,812	7,75	795	1,06	+ 5,327	+ 7,10
50	8	40	5	3,918	5,22	1,030	1,38	+ 2,908	+ 3,87
2,433	3,24	—	—	4,125	5,50	1,050	1,40	+ 5,508	+ 7,34
3,082	4,11	125	17	6,715	8,95	2,580	3,45	+ 7,092	+ 9,44
2,210	2,95	—	—	4,837	6,45	80	11	+ 6,967	+ 9,29
850	1,13	30	4	3,115	4,15	—	—	+ 3,935	+ 5,24
2,896	3,86	—	—	5,385	7,18	25	3	+ 8,256	+ 11,01
50	7	6,100	8,14	1,945	2,59	80	11	- 4,185	- 5,59
—	—	3,135	4,18	1,524	2,03	—	—	- 1,611	- 2,15
—	—	4,702	6,27	735	98	—	—	- 3,967	- 5,29
—	—	3,394	4,53	940	1,25	—	—	- 2,454	- 3,28
395	53	10	1	2,585	3,45	—	—	+ 2,970	+ 3,97
2,515	3,35	20	3	5,090	6,79	—	—	+ 7,585	+ 10,11
3,600	4,80	—	—	5,500	7,33	—	—	+ 9,100	+ 12,13
3,440	4,59	75	10	4,760	6,34	—	—	+ 8,125	+ 10,83
5,779	7,71	59	8	5,755	7,67	—	—	+ 11,475	+ 15,30
2,100	2,80	335	45	4,305	5,74	50	7	+ 6,020	+ 8,02
3,730	4,97	60	8	1,620	2,16	—	—	+ 5,290	+ 7,05
2,390	3,19	337	45	2,550	3,40	—	—	+ 4,603	+ 6,14

STATEMENT 87

EXTERNAL ASSISTANCE : AUTOMISED AND UTILISED

(Rupees crores)

	Amt authorized up to the end of 1st Plan	Amt utilised upto the end of 1st Plan	Amt undrawn as at the end of 1st Plan	Amt authorized from 1st April 1956 to 31st March 1960*	Total available for utilisation during Second Plan (31st March 1960)	Estimated utilisation from 1st April 1956 to 31st March 1960	Amt undisbursed as at the end of March 1960
	1	2	3	4	5	6	7
I. Loans and Credits							
A. Repayable in Foreign Currencies							
1. I B R D Loans	57.7	33.8	23.9	224.2	248.1	186.0	62.1
2. Loans from Foreign Countries							
(i) From U.S.A.	96.5	96.3	—	76.7	76.7	76.4	46.3
(ii) Wheat Loan in 1951	90.3	90.3	—	—	—	—	—
(b) Eximbank Loan for import of machinery & machinery	—	—	—	71.4	71.4	11.1	60.3
(c) U.S. Banks' Loan to Air India International	—	—	—	—	5.3	5.3	—
(d) U.S. Banks' Loan to Air India International	—	—	—	—	15.7	15.7	—
(ii) From Canada	—	—	—	—	15.7	15.7	—
(a) Wheat Loans	—	—	—	—	102.6	102.6	20.2
(iii) From United Kingdom	—	—	—	—	—	—	—
(a) Lazard Brothers' Credit (Durgapur)	—	—	—	15.3	15.3	13.3	2.0
(b) E C G D I (Durgapur)	—	—	—	20.0	20.0	20.0	—
(c) E C G D II (Capital goods)	—	—	—	38.0	38.0	38.0	—
(d) E C G D III (" ")	—	—	—	25.3	25.3	8.8	16.5
(e) U.K.-India Oil Pipe Line	—	—	—	4.0	4.0	2.3	1.7
(iv) From West Germany	—	—	—	93.8	93.8	72.7	21.1
(a) Credit for Rourkela Steel Plant	—	—	—	74.8	74.8	53.7	21.1
(b) Credit for import of machi- nery etc	—	—	—	19.0	19.0	19.0	—
(v) From Japan	—	—	—	—	27.6	27.6	4.0
(a) 18 billion Yen Credit for import of capital goods	—	—	—	—	—	—	23.6
(b) Loan for Orissa Iron Ore Project	—	—	—	—	21.8	23.8	4.0
	—	—	—	—	3.8	3.8	3.8

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(ii) From U.S.S.R.	63.1	—	63.1	80.9	144.0	63.8	60.2
(a) Credit for Bhilai Steel Plant	63.1	—	63.1	—	63.1	63.1	—
(b) Credit for Industrial Enterprises	—	—	—	59.5	59.5	0.6	58.9
(c) Credit for the manufacture of Drugs	—	—	—	9.5	9.5	—	9.5
(d) Credit for Barauni Oil Refinery	—	—	—	11.9	11.9	0.1	11.8
Total A	211.1	124.1	87.0	621.5	708.5	441.0	267.5
B. Repayable in rupees							
From U.S.A.	27.4	2.3	25.1	117.9	143.0	82.0	61.0
(a) Loans from Development Fund	—	—	—	92.9	92.9	43.6	49.3
(b) Asian Economic Development Fund Loan for Orissa Iron Ore Project	—	—	—	9.5	9.5	—	9.5
(c) Loans under TCA (Excluding P.L. 665)	27.4	2.3	25.1	15.5	40.6	18.4	2.2
Total I (A + B)	238.5	126.4	112.1	739.4	851.5	523.0	328.5
II. Grants	(i) From U.S.A.	91.2	44.3	-66.9	-41.2	88.0	70.4
	(a) TCA grants (Excluding P.L. 665)	85.6	42.0	41.6	36.2	79.8	66.8
	(b) Ford Foundation	5.6	2.3	3.3	4.9	8.2	3.6
	(II) From Colombo Plan Countries	45.5	25.3	20.2	49.5	69.7	53.1
	(a) Canada	32.3	19.7	12.6	47.6	50.5	16.6
	(b) Australia	11.1	5.2	5.9	0.3	6.2	6.1
	(c) New Zealand	1.7	0.3	1.4	2.9	2.9	0.1
	(d) United Kingdom	0.4	0.1	0.3	0.1	0.4	—
	(III) From Norway	0.7	0.7	—	1.0	1.0	—
	(iv) P.L. 480 Titles II and III	26.1	—	29.6	29.6	29.6	—
	Total II	163.5	96.4	67.1	121.2	188.3	154.1
III. Other Assistance							
	(i) P.L. 480	—	—	460.7	460.7	330.4	130.3
	(ii) P.L. 665	16.9	5.1	11.8	15.4	27.2	—
	Total III	16.9	5.1	11.8	476.1	487.9	357.6
	Grand Total (I + II + III)	418.9	227.9	191.0	1,336.7	1,527.7	1,034.7
							493.0

Notes — I. The data presented here are not comparable with those incorporated on the balance of payments because of differences in source, coverage, etc.

2. Assistance under P.L. 480 and P.L. 665 are shown here on a gross basis representing the rupee credits raised against the value of goods received from time to time.

* Exclusive of authorisations of (i) Rs 179 crores from the U.S.S.R. (ii) Rs 23 crores from Czechoslovakia and (iii) Rs 19 crores from Yugoslavia earmarked for use in the Third Plan period.

STATEMENT 88

PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

(Rupees crores)

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IV.	Orissa Iron Ore Project	Public		9.5	9.5	9.5	9.5
(a)	U.S.A	"		3.8	3.8	3.8	3.8
(b)	Japan	"		13.3	13.3	—	13.3
Total IV.	"						
V.	Port Development	Public		—	—	—	—
(a)	I.B.R.D.	"		—	—	—	—
(b)	Calcutta Port	"		13.8	13.8	11.9	11.9
(b)	Madras Port	"		6.7	6.7	5.7	5.7
Total V	"			20.5	20.5	17.6	17.6
VI.	Transport	Public		—	—	—	—
(a)	I.B.R.D.-Air India International	"		2.7	2.7	2.7	2.7
(b)	U.S. Banks' Credit-Air India International	"		5.3	5.3	—	—
Total VI	"			8.0	8.0	—	—
VII.	Industrial Development	Private		4.8	4.8	2.6	2.2
(a)	I.B.R.D.	Private		—	—	4.8	4.8
(b)	I.C.I.—I	Public & Private		—	—	38.0	4.8
(b)	I.C.I.—II	Private		—	—	4.0	—
(b)	E.C.G.D. II	Private		—	—	4.0	—
(b)	U.K. Loan for Oil Pipeline	Public & Private		—	—	19.0	1.7
(b)	Second West German Credit	Public		—	—	59.5	—
(b)	Second Russian Credit	Public		—	—	59.5	58.9
(b)	Russian Drug Credit	Public		—	—	0.6	—
(b)	Russian Credit for Barauni Oil Refinery	"		—	—	9.5	9.5
(b)	Loans under TCA Programmatic	"		—	—	11.9	0.7
(b)	(Excluding P.L. 665)	"		27.4	25.4	15.5	11.8
(a)	D.L.F.	"		2.3	2.3	40.6	2.2
(a)	Automobile, Jute & Cement Industries	Public & Private		—	—	16.7	8.8
(b)	Machinery and Capital equipment	Private		—	—	7.1	4.9
(b)	U.S. Eximbank Loan	Public & Private		—	—	71.4	2.2
(b)	E.C.G.D. III	"		—	—	25.1	60.3
(a)	Japanese Yen Credit	"		—	—	23.8	16.5
Total VII	"			32.2	2.3	306.5	138.6
VIII.	Agricultural Development	Public		—	—	—	—
(a)	I.B.R.D.	"		3.4	3.4	—	—
Total VIII	"			—	—	—	—
IX.	Wheat Loans	Public		90.3	90.3	—	—
(a)	U.S.A	"		—	—	15.7	—
(a)	Canada	"		—	—	15.7	—
Total IX	"			90.3	90.3	15.7	15.7
GRAND TOTAL	"			238.5	126.4	112.1	739.4
						851.5	523.0
							328.5

Notes — 1. The purpose-wise and sector-wise classifications provided here are very rough and broad-based.

2. For want of details a similar classification has not been provided in respect of grants.

3. Individual items may not add up to totals because of rounding differences
* Exclusive of authorisations of (i) Rs 179 crores from U.S.S.R., (ii) Rs 23 crores from Czechoslovakia and (iii) Rs 19 crores from Yugoslavia
marked for use in the Third Plan period

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 89

INDIA CURRENCY IN CIRCULATION (a)

(Lakhs of Rupees)

Last Friday		Circulation			Increase (+) or Decrease (-) in Circulation (b)			
		Notes (c)	Rupee Coin(d)	Total (1 + 2)	Notes	Rupee Coin	Small Coin	Total (4 + 5 + 6)
					4	5	6	7
1950-51	.	1,204.24	138.45	1,342.69	+ 83.89	+ 5.84	- 3.20	+ 86.53
1955-56	.	1,423.47	122.13	1,545.60	+ 189.55	+ 9.15	+ 1.47	+ 200.17
1956-57	.	1,482.92	117.88	1,600.80	+ 59.45	- 4.25	+ .45	+ 55.65
1957-58	.	1,535.96	116.46	1,652.42	+ 53.04	- 1.42	+ .65	+ 52.27
1958-59	.	1,658.36	120.59	1,778.95	+ 122.40	+ 4.13	- .33	+ 126.20
1959-60	.	1,801.73	130.28	1,932.01	+ 143.37	+ 9.69	+ 1.43	+ 154.49
April	1958	1,575.96	118.00	1,693.96	+ 40.00	+ 1.54	+ .52	+ 42.06
May	.	1,544.61	118.86	1,663.47	- 31.35	+ .86	+ .67	- 29.82
June	"	1,533.93	119.97	1,653.90	- 10.68	+ 1.11	- .3	- 9.60
July	"	1,498.66	114.70	1,613.36	- 35.27	- 5.27	- .40	- 40.94
August	"	1,478.63	112.68	1,591.31	- 20.03	- 2.02	- .32	- 22.37
September	"	1,472.81	110.35	1,583.16	- 5.82	- 2.33	- .33	- 8.48
October	"	1,491.27	111.46	1,602.73	+ 18.46	+ 1.11	- .32	+ 19.25
November	"	1,512.01	112.82	1,624.83	+ 20.74	+ 1.36	- .5	+ 22.05
December	"	1,546.25	113.89	1,660.14	+ 34.24	+ 1.07	- .24	+ 35.07
January	1959	1,581.26	116.32	1,697.58	+ 35.01	+ 2.43	- .19	+ 37.25
February	"	1,611.47	118.61	1,730.08	+ 30.21	+ 2.29	+ .11	+ 32.61
March	"	1,658.36	120.59	1,778.95	+ 46.89	+ 1.98	+ .25	+ 49.12
April	"	1,708.29	121.52	1,829.81	+ 49.93	+ .93	+ .37	+ 51.23
May	"	1,695.48	125.87	1,821.35	- 12.81	+ 4.35	+ .60	- 7.86
June	"	1,670.39	124.38	1,794.77	- 25.09	- 1.49	+ .9	- 26.49
July	"	1,622.87	121.17	1,744.04	- 47.52	- 3.21	- .26	- 50.99
August	"	1,607.04	118.79	1,725.83	- 15.83	- 2.38	- .15	- 18.36
September	"	1,598.83	116.48	1,715.31	- 8.21	- 2.31	- .4	- 10.56
October	"	1,643.03	120.86	1,763.89	+ 44.20	+ 4.38	+ .12	+ 48.70
November	"	1,636.04	119.39	1,755.43	- 6.99	- 1.47	- .15	- 8.61
December	"	1,686.94	120.77	1,807.71	+ 50.90	+ 1.38	+ .14	+ 52.42
January	1960	1,724.27	125.19	1,849.46	+ 37.33	+ 4.42	- .8	+ 41.67
February	"	1,755.81	127.85	1,883.66	+ 31.54	+ 2.66	+ .21	+ 34.41
March	"	1,801.73	130.28	1,932.01	+ 45.92	+ 2.43	+ .57	+ 48.92

Note.—Figures relate to India currency (for data relating to India and Halk Sicca currency see Statement 20)

(a) Includes India currency in circulation outside India (b) The figures are not adjusted to take account of net inward or outward movements of currency (c) Figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment (d) Estimated (for details see footnote to Statement 86 of the Report for 1953-54)

STATEMENT 90

CIRCULATION OF INDIA NOTES BY DENOMINATIONS

End of Decem- ber	Rs 2 Perce- rage of (1) to (15)	Rs 5 Perce- rage of (3) to (15)	Rs 10 Perce- rage of (5) to (15)	Rs 100 Perce- rage of (7) to (15)	Rs 1,000(a) Perce- rage of (9) to (15)	Rs 5,000(a) Perce- rage of (11) to (15)	Rs 10,000(a) Perce- rage of (13) to (15)	Rs 50,000(a) Perce- rage of (15)	Rs 100,000(a) Perce- rage of (15)	Total					
										Percent- age of (15)	Percent- age of (15)	Percent- age of (15)			
1	2	3	4	5	6	7	8	9	10	11	12	13			
1950	25.15	2.2	166.03	14.1	483.87	11.1	500.98	12.6	56.37	4.1	9.85	0.7	5.81	0.4	1,176.03
1955	28.56	2.1	159.36	11.6	562.89	10.0	550.05	10.1	52.24	3.5	9.92	0.7	5.73	0.4	1,372.99
1955	28.72	1.9	161.23	10.9	604.66	40.9	616.58	41.7	51.06	3.1	12.91	0.8	8.58	0.6	1,479.08
1956	28.57	1.9	155.66	10.2	615.90	40.4	651.81	42.8	49.25	3.1	10.14	0.6	12.52	0.6	1,524.23
1957	29.41	1.8	156.21	9.7	623.65	22.9	725.51	45.1	49.25	3.1	9.92	0.6	7.00	0.4	1,608.69
1958	32.76	1.9	167.39	9.5	671.05	38.2	816.57	46.5	51.41	2.9	—	—	—	—	1,756.08
1959	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Note.—Figures are inclusive of Rs 43 crores of India notes relived from circulation in Pakistan and awaiting adjustment and are net of India notes returned from encirclement in Aden.

Data given in this Statement relate to total notes issued from April 1954

Department of the Reserve Bank

(a) Relate to the new high denomination notes issued from April 1954

STATEMENT 91

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (DENOMINATION-WISE)

Half rupees(a)	Four anna pieces(b)	Two anna pieces(c)	One anna pieces	Half anna pieces(d)	Single piece(e)	Half piece	Pc pieces	Twenty- five naye piece	Ten naye piece	Five naye piece	Two naye piece	One naya piece	(Thousands of Rupees)		
													1	2	
1950-51	-1,00,54	-97.53	-	60.09	-	65.54	-	37.8	+ 7.73	- 7	+ 3	- 1	-	- 19.79	+ 1,46,54
1955-56	+ 35.13	+ 59.81	+ 11.61	+ 23.74	+ 6,58	+ 6,69	+ 3.74	+ 19.14	- 84	- 3	- 14	- 64	+ 45.08	+ 64,91	
1956-57	- 16.95	+ 20.99	+ 9.66	+ 26.04	+ 6,39	+ 6,24	+ 2.64	- 10.24	- 64	- 10	+ 99.15	+ 63.59	+ 30.52	+ 33.33	
1975-58	- 1.23	+ 15.47	- 41.54	- 68.22	- 10.24	- 4.91	- 2.2	- 13.49	- 6.96	- 2	+ 1,25.87	+ 69.12	+ 38.52	+ 1,43.46	
1958-59	+ 5.37	+ 12.04	- 1,59.93	- 93.92	- 35.94	- 3.91	+ 2(f)	- 1	+ 1,01.58	-	-	-	-	-	-
1959-60	+ 31.11	- 83	- 89.90	- 1,23.62	- 35.04	- 3.91	-	-	-	-	-	-	-	-	-

(a) Since the inauguration of the Reserve Bank in 1935, silver half rupees have been included in statistics relating to small coin including pure nickel half rupees introduced in May 1946. (b) Including pure nickel four anna pieces introduced in May 1946. (c) Including nickel two anna pieces introduced in 1917-18. (d) Nickel half anna pieces introduced in January 1942. (e) Including single piece pieces with a circular hole issued from 1 February 1943. (f) The rise is due to remittances in transit not having been taken into account.

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STATEMENT 92

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (METAL-WISE)
ABSORPTION (+) OR RETURN (-)

(Lakhs of Rupees)

	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60
I. Quaternary Silver						
8 Annas ..	- 1.51	- 61	- 81	- 81	- 26	- 2
4 Annas ..	- 1.34	- 48	- 65	- 58	+ 5	- 5
Total Quaternary Silver Coin	-2.85	-1.09	-1.46	-1.39	- 22	- 7
II. Pure Nickel						
8 Annas	+ 50	+ 96	+ 64	+ 80	+ 32	+ 33
4 Annas	+ 41	+ 1.09	+ 87	+ 76	+ 9	+ 6
25 Nayé Paise						+1.02
Total Pure Nickel Coin	+ 91	+2.05	+1.51	+1.56	+ 41	+1.41
III. Nickel-Alloy (a)						
4 Annas	- 4	- 2	- 1	- 2	- 2	- 2
2 Annas	- 60	+ 12	- 10	-1.42	-1.60	- 90
1 Anna	- 66	+ 24	+ 26	- 68	- 94	-1.33
½ Anna ..	- 4	+ 7	+ 6	- 10	- 13	- 35
10 Nayé Paise				+1.20	+ 99	+1.26
5 Nayé Paise				+ 66	+ 64	+ 69
2 Nayé Paise				+ 42	+ 30	+ 39
Total Nickel-Alloy Coin	-1.34	+ 41	+ 21	+ 7	- 76	- 26
Total Nickel Coin (II + III)	- 43	+2.46	+1.72	+1.63	- 35	+1.15
IV. Copper (b)						
Single Pice	+ 8	+ 10	+ 19	- 5	- 7	- 4
Half Pice	--	--	- 1	- 1	--	--
Pic Pieces	--	--	--	--	--	--
1 Nayá Pasa				+ 48	+ 31	+ 40
Total Copper Coin ..	+ 8	+ 10	+ 18	+ 42	+ 24	+ 36
V. Total Small Coin (c)	-3.20	+1.47	+ 45	+ 65	- 33	+1.43

(a) Cupro-nickel and nickel-brass coins (b) Including bronze coins

(c) Including negligible amounts of Standard Silver small coins returned from circulation

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 93

MOVEMENTS IN CIRCULATION OF INDIA SMALL COIN (CIRCLE-WISE)

ABSORPTION (+) OR RETURN (-)

(Thousands of Rupees)

	Bangalore	Bombay	Calcutta	Kanpur	Nagpur	New Delhi	Madras	Total
1950-51		-32,43	-1,51,36	-1,14,13		-22,78	+ 91	-3,19,79
1955-56		+94,03	+ 25,84	- 11,14		+ 2,53	+35,28	+1,46,54
1956-57	- 4,07	+47,24	+ 3,35	- 36,20	+10,95	+ 1,80	+22,01	+ 45,08
1957-58	+ 5,91	+93,08	+ 12,69	- 41,57	-21,31	+ 7,77	+ 8,34	+ 64,91
1958-59	+10,81	+42,76	- 53	- 35,69	-29,33	+15,14	-36,49	- 33,33
1959-60	+19,35	+76,72	+ 17,50	- 24,10	+27,42	+ 9,31	+16,86	+1,43,46

STATEMENT 94

LOST, DESTROYED AND MUTILATED NOTES, 1959-60

	No of claims admitted	No of pieces	Amount of claims admitted		Amount paid against claims (a)
			Rs	Rs	
Lost or wholly destroyed notes	-	9	19	2,000	1,35,800
Half notes	-	7	8	800	100
Mutilated notes --					
Registered (Denominations above Rs 100)	38 (b)	52	43,900	37,100	
Unregistered (Denominations of Re 1 to Rs 100)	97,129 (b)	{ 4,82,464 6,66,048 }	{ 43,35,994 6,62,390 }	40,25,456	
Government of India one rupee notes	-				6,15,247

(a) Includes amount paid during 1959-60 in respect of claims admitted in previous years.

(b) Excludes figures for soiled notes in respect of the Bombay circle

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 95

NOTE FORGERIES(a)

Year	Rs 1 (Government of India Notes)	Rs 2	Rs 5	Rs 10	Rs 100	Total	
						Number	Value Rs
1950-51	2,400	84	1,676	2,783	182	7,125	56,978
1955-56	6,136	152	813	2,220	175	9,496	50,205
1956-57	3,006	88	834	6,644	3,380	13,952	4,11,792
1957-58	1,199	273	629	3,238	131	5,470	50,370
1958-59	1,769	540	673	2,272	235	5,489	52,434
1959-60	985	416	1,118	1,520	535	4,574	76,107

(a) Relate to notes received during the year

STATEMENT 96

PROSECUTIONS ON ACCOUNT OF NOTE FORGERIES

Year	Fresh Prosecu- tions	Pending at the end of the pre- vious year	Total Trials	Discharges	Convictions	Pending
1950-51	48	43	91	38	28	25
1955-56	47	30	77	14	12	51
1956-57	40	51	91	14	13	64
1957-58	45	64	109	40	16	53
1958-59	54	53	107	27	21	59
1959-60	53	59	112	31	32	49

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 97

MINTAGE OF INDIA RUPEES AND SMALL COIN

(Lakhs of Rupees)

	Bombay Mint		Alipore Mint		Total Coined		Grand Total
	Whole Rupees (a)	Small Coin	Whole Rupees (a)	Small Com	Whole Rupees(a) (1 + 3)	Small Coin (2 + 4)	(5 + 6)
	1	2	3	4	5	6	7
1950-51	2.80	1.08	—	5	2.80	1.12	3.92
1955-56	—	5(b)	—	2.55	—	2.60	2.60
1956-57	—	1.39(b)	—	2.50	—	3.89	3.89
1957-58(c)	—	1.73(b)	—	1.99	—	3.72	3.72
1958-59	—	1.72(b)	—	1.61	—	3.33	3.33
1959-60(d)	—	2.18(b)	—	1.78	—	3.97	3.97

(a) Nickel rupees (b) Including coins minted at the India Government Mint, Hyderabad (Dn), the value of these being Rs 1,100 in 1955-56, Rs 8,49,700 in 1956-57, Rs 15,16,299 in 1957-58, Rs 17,54,300 in 1958-59 and Rs 15,24,600 in 1959-60 (c) Revised (d) Provisional

STATEMENT 98

MINTAGE OF INDIA COINS BY DENOMINATIONS, 1959-60

(Figures in Thousands)

Denomination	Bombay Mint		Alipore Mint		Total	
	Number	Value Rs	Number	Value Rs	Number	Value Rs
Nickel Rupees	—	—	—	—	—	—
“ Half Rupees	—	—	—	—	—	—
“ Quarter Rupees	—	—	—	—	—	—
Pure Nickel 25 Naya Paise	2,73,44	68.35	4,22,48	1,05,62	6,95,92	1,73,98
Cupro-Nickel 10	9,01,00	90.10	2,28,85	22.89	11,29,85	1,12,99
“ “ 5	6,68,90	33.45	3,57,00	17.85	10,25,90	51.30
“ “ 2	3,18,95	6.38	6,88,85	17.78	12,07,80	24.16
Bronze One Naya Paise	20,16,00(a)	20.16(a)	14,35,10	14.35	34,51,10	34.51
Total	41,78,29	2,18,44	33,32,28	1,78,48	75,10,57	3,96,93

(a) Including coins of the value of Rs 15,24,600 minted at the India Government Mint, Hyderabad (Dn).

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 99

WITHDRAWAL OF SILVER, CUPRO-NICKEL AND COPPER COINS, 1959-60

I. Uncurrent Coin	Rs
<i>Silver Rupees</i>	
Standard Silver Rupees	2,564
Defective Quaternary Rupees	17,080
Other uncurrent rupee coin (shroff marked, soldered, etc) .	179
<i>Silver Small Coin</i>	
Eight Anna	11
Four Anna .	2
Total of Uncurrent Coin ..	19,836
II. Current Coin (including badly worn and defaced Coins)	
<i>Nickel and Nickel-Alloy Coins</i>	
Nickel Rupees .	2,14,794
Nickel Eight Anna	1,83,846
Nickel -1/4/- pieces .	2,48,707
Cupro-nickel* -'2/- pieces	1,39,46,924
Cupro-nickel* -'1/- pieces	98,26,938
Cupro-nickel* -'1/2/- pieces . .	14,69,703
Pure Nickel 25 Naye Paise	615
Cupro-nickel 10 Naye Paise	6,754
Cupro nickel 5 Naye Paise	5,610
Cupro-nickel 2 Naye Paise	5,220
<i>Copper and Bronze Coins</i>	
Copper Double Pice .	10,626
Single Pice .	4,58,093
Half Pice	287
Pie Pieces .	5,422
1 Naya Paisa	3
Total of Current Coin (including badly worn and defaced Coins) . .	2,63,83,542

* Including nickel-brass coins

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 100

NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND RAILWAY STATIONS

	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60
Silver Coins						
Rupees .	9,200	5,056	5,587	5,240	4,109	4,010
Half Rupees	8,252	4,214	4,380	3,472	3,816	5,283
Quarter Rupees	13,642	4,871	4,139	5,020	6,789	5,550
One-eighth Rupees . .	4	—	—	—	—	—
Total	31,098	14,141	14,106	13,732	14,714	14,843
Nickel and Copper Coins						
Rupees .	4,429	3,637	5,879	6,015	7,428	5,960
Half Rupees	12,886	5,438	7,517	8,021	10,682	12,504
Quarter Rupees	23,073	8,010	8,168	8,607	10,707	8,340
Two Annas	1,70,327	1,24,845	1,58,815	2,92,465	10,14,326	2,89,144
One Anna	23,820	8,430	11,241	18,252	80,378	1,91,882
Half Anna	1,771	1,158	607	1,479	4,746	24,070
Single Pice . . .	—	—	—	—	—	378
Twenty-five Naya Paise . .	—	—	—	—	—	147
Ten Naya Paise .	—	—	—	21	96	4,890
Five Naya Paise	—	—	—	5	22	264
Two Naya Paise	—	—	—	3	1	1
One Naya Paise	—	—	—	—	—	30,225
Total . . .	2,35,306	1,51,518	1,92,227	3,34,868	11,28,386	5,67,805

REPORT ON CURRENCY AND FINANCE, 1959-60

STATEMENT 101**DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1960**

Denomination	Gross Weight (Grams)	Composition (Proportion of Metals)	Diameter	Edge	Remarks
Quaternary Alloy Rupee	180	Silver 50 per cent and rest base metal	1 2"	Round Coin	Milled and security edged
" " Half Rupee (a)	90	,	0 95"	,	
" " Quarter Rupee (a)	45	,	0 75"	,	
Pure Nickel Rupee (a)	150	Nickel 100 per cent	1 1"	,	
" " Half Rupee (a)	90	,	0 95"	,	Milled
" " Quarter Rupee (a)	45	,	0 75"	,	
Cupro-Nickel Four Anna	105	75 per cent Copper and 25 per cent Nickel	{ 0 925" Across flats 1 000" Corners	Plain Corners	Scalloped Coin
" " Two Anna	90	,	{ 0 88" Flats 1 000" Corners	,	Square Coin with round corners
" " Two Anna (George V)	90	,	{ 0 827" Flats 1 000" Corners	,	Square Coin with round corners
" " One Anna	60	,	{ 0 857" Maximum 0 795" Minimum	,	Scalloped Coin
Half Anna	45	,	{ 0 778" Across Diagonal 0 684" Sides	,	Square Coin with round corners

Note: The maximum score has been discontinued.

(a) These coins are being currently issued the issue of the remaining coins has been postponed. The proportion of this alloy upto February 1930 is 1 per cent zinc, 1 per cent tin and 5 per cent zinc.

(b) The alloy for bronze coin had to be changed during the period of war. From February 1936 to end of 1942, it was 95.5 per cent copper, 4 per cent tin and 1 per cent zinc. From February 1943 to date, it has been in the proportion of copper 97 per cent tin 0.5 per cent and zinc 2.5 per cent.

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